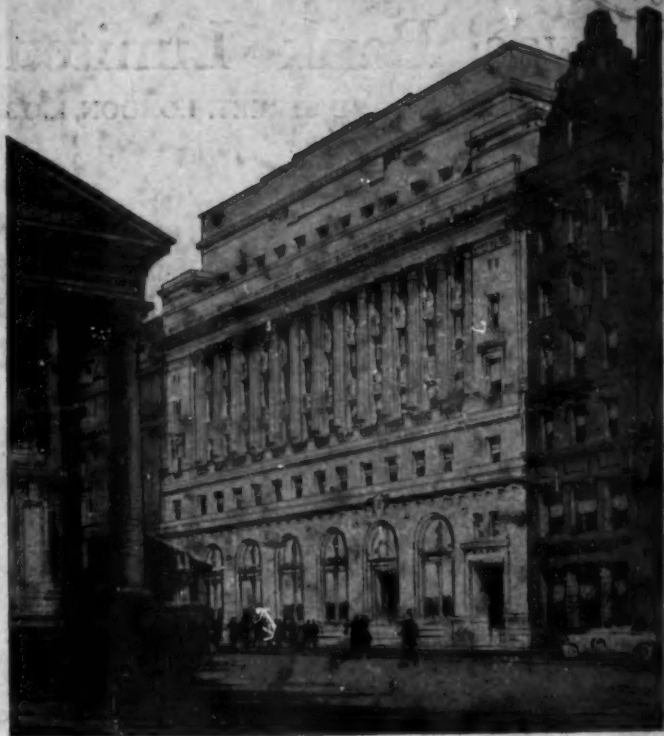


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**Lloyds Bank Limited**  
**MONTHLY REVIEW**  
**JANUARY 1935**



# Lloyds Bank Limited

Head Office: 71, LOMBARD STREET, LONDON, E.C.3



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# Lloyds Bank Limited

## Monthly Review

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GIFT  
FEB 26 '97

# Lloyds Bank Limited

INCORPORATED IN ENGLAND



Capital and Reserve Funds  
£1,000,000

Deposits and Advances  
£1,000,000

Profit and Loss Account  
£1,000,000

Balance Sheet  
£1,000,000

Income Statement  
£1,000,000

Statement of Assets and Liabilities  
£1,000,000

Statement of Cash Flows  
£1,000,000

Statement of Financial Position  
£1,000,000

Statement of Comprehensive Income  
£1,000,000

Statement of Financial Performance  
£1,000,000

Statement of Financial Position  
£1,000,000

Statement of Comprehensive Income  
£1,000,000

Statement of Financial Performance  
£1,000,000

Head Office  
1, Abchurch Lane, London, E.C. 4

Branches  
Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Liverpool, Manchester, Newcastle, Nottingham, Plymouth, Southampton, Swansea, Tyneside, Wolverhampton

Representatives  
Messrs. Lloyds Bank Limited, 1, Abchurch Lane, London, E.C. 4



# Lloyds Bank Limited

## Monthly Review

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JANUARY, 1935

No. 59

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*\* \* The Bank publishes from time to time in this Monthly Review signed articles by exponents of different theories on questions of public interest. The Bank is not necessarily in agreement with the views expressed in these articles.*

### The Post Office of To-Day

*By The Rt. Hon. Sir H. Kingsley Wood, M.P.*

THE Post Office to most people means the postman who delivers and collects their letters, the counter clerk who sells them stamps, postal orders and wireless licences, who weighs their parcels and answers their questions; the telegraph messenger who on foot, cycle or motor cycle delivers their telegrams; the telephone for which every month new uses are being discovered in the office and the home. These are, however, only external signs of another Post Office of which the public is but little aware. That Post Office behind the scenes may be looked at in different ways. It may be viewed and examined as perhaps the greatest group of businesses in the country to be found under a single management, and as one of the country's greatest employers of labour. It embodies a striking practical demonstration of how scientific research and discovery can be applied to the solving of daily problems of human intercourse. It may be regarded as an organisation constantly adapting itself to changing social and business needs. It may be studied as an institution with a long historical lineage.

The figures of Post Office operations during the last financial year may give some idea of the scale, the variety and complexity of Post Office affairs :—

### *The Post Office as a Business.*

Total Post Office turnover ... ..	£895,000,000
Number of letters dealt with ... ..	6,753,000,000
Number of parcels carried ... ..	153,335,000
Number of telephone calls connected ... ..	1,600,000,000
Number of telegrams transmitted ... ..	45,500,000
Number of Postal Orders sold ... ..	222,000,000
Number of Inland Money Orders issued ... ..	12,466,000
Payment of old age, widows' and orphans' pensions ...	£161,309,000
Number of holders of National Savings Certificates ...	9,000,000
Number of wireless licences ... ..	6,260,000
Number of depositors in Post Office Savings Bank ...	9,100,000
Deposits in Post Office Savings Bank ... ..	£349,000,000
Postage stamps sold ... ..	7,000,000,000
Salaries and wages bill ... ..	£36,656,000
Number of Post Office staff ... ..	227,900
Number of Post Offices ... ..	23,126
Miles run by Post Office motor transport :—	
(I) Postal vehicles ... ..	61,000,000
(II) Other vehicles ... ..	31,000,000
Miles of telegraph and telephone lines :—	
(I) Overhead ... ..	1,218,000
(II) Underground ... ..	10,106,000
(III) Submarine ... ..	22,550

The Post Office is one of the largest employers of labour in the country. Its present total staff numbers nearly 228,000 and includes a wide variety of grades and sections. The largest section is composed of postmen who number 77,000. Sorters, telegraphists and counter clerks are the next largest group with 34,700. Day and night telephonists number approximately 20,000. The staff of the Post Office Engineering Department amounts to 29,000 and there are 21,800 sub-postmasters. The administrative, executive, clerical and technical staff account for 12,400, and about 24,000 covering a variety of grades, including typing staff, stores staff, porters, boy messengers, doorkeepers, liftmen, cleaners and many others, comprise the remainder. The Post Office staff is representative of the public it serves. It is democratically recruited from all classes—from the universities, from the technical colleges ; from the secondary schools and from the central and elementary schools.

The original function of the Post Office was the conveyance of mails, and the postal service still remains the most important of its now very numerous duties. The operating income of the postal service is nearly twice that of the telephone service and over ten times that of the telegraph service.

The most familiar outward sign of modern methods in the postal service is the red mail van. One hundred and fifty years

ago the first mail coach was put on the road ; twenty years ago the Post Office first became an owner of motor transport, and to-day it has by far the largest fleet of commercial motor vehicles in the country. The growth of the Post Office motor fleet is, however, well illustrated by the fact that postal vehicles run 61,000,000 miles a year. In London the advent of the motor van did not offer the perfect solution to the problem of rapid transport of mails, for despite its superior speed in comparison with the horse-drawn vehicle, traffic congestion in the streets had to be considered. Accordingly the Post Office Tube Railway was built.

The Post Office Railway, the only one of its kind in the world, runs at an average depth of 80 feet below street-level, from the Eastern District Office in Whitechapel to Paddington. There are eight stations which are connected to sorting offices by means of lifts, conveyors and special chutes. The trains attain a speed of 35 miles per hour between stations, and during the busier periods a regular three minute service is maintained. In the course of a year the trains run a total distance of 1,250,000 miles and carry about 9,000,000 mail bags. The railway relieves the London streets of vans which would run more than 2,400 miles daily.

It is outside London, where fortunately the roads are still able to cope with the increasing number of Post Office vans, that the use of through motor services has been recently developed in order to link together towns at convenient distances for motor working and thus to speed up the delivery and allow a later posting time. The development of motor transport has come as a boon to rural areas and has made possible the increase in the number of deliveries and collections of mail. Even motor boats are pressed into service to assist the distribution of postal matter. The introduction, for instance, of a motor boat service across the Firth of Clyde to serve Rothesay and Dunoon has resulted in considerable acceleration in delivery.

Many services have been introduced in recent years which have been designed to assist business men and the general public in the conduct of their affairs.

The Inland Sample Post was re-introduced in May, 1932, after an interval of fourteen years. The service is intended to be of use to merchants and manufacturers for the despatch at a cheap rate of *bona-fide* trade samples without saleable value. It had been abandoned previously due to abuse by the sending

of small parcels of all kinds at a more favourable rate. Its value to the trading public is, however, undoubted, for in the past year about seventeen million packets were dealt with, an increase of seven millions over the preceding year.

The Business Reply Service, also introduced in 1932, was designed to reduce the expense incurred by business houses in enclosing stamped addressed cards or envelopes, many of which were not used for the desired purpose. The sender, under licence from the Post Office, may enclose with his communication a specially printed addressed card or envelope which the client may post in the usual way, but without stamping it. The Post Office debits the licensee with the postage due plus a halfpenny fee in each case. The service has met with a very satisfactory response. The number of persons or business organisations licensed to use the service increased from 8,500 to over 14,000 during the past year, and the black-lined postcard and envelope are now familiar to the public.

A similar system is now available to firms prepared to receive parcels unstamped from customers and to pay the appropriate parcel postage on receipt. The licensees in this case distribute to their customers distinctive labels of a particular pattern to be attached to the parcels posted. An extra charge of  $\frac{1}{4}$ d. is made on each unstamped parcel delivered. The "Postage Forward" parcel service was introduced in June, 1934.

The Railex service came into operation on 1st January, 1934. It is intended to secure the transmission of a letter not exceeding 2 oz. in weight as rapidly as transport facilities will allow and with a minimum of trouble to the sender. The Post Office, for an inclusive fee of 2s. 6d., accepts a Railex letter at a Post Office and forwards it by special messenger to the railway station for despatch by the first suitable train, informing the Post Office express delivery office nearest the station of destination of the despatch of the letter. A messenger awaits its arrival and delivers it immediately by the quickest possible means to the addressee. The service is to some extent experimental; but use is being made of it, and there is little doubt that it will be a useful emergency service.

The Post Office employs every form of transport for the carriage of mails, and 1934 has seen the inauguration of the first inland air mail service in this country, to be followed in August by an experimental service linking up London and Glasgow.

The recent introduction of a flat rate for air mail letters to various parts of the Empire is generally regarded as an important step forward in the development of aerial postal communications and will certainly do much to bring the Empire still closer together. The new rate has already proved popular as evidenced by the increased volume of mail which is now being carried by air to Empire destinations. The importance of speedy air mail facilities to this country which is so dependent on international trade, is not lost sight of by the Post Office ; and every effort is being exerted to encourage the development of air mail services from Great Britain to all parts of the world. To-day air mails can be despatched to approximately one hundred different countries.

The history of the British telephone service in recent years has been a record of steady expansion. At the end of March, 1932, Great Britain occupied the tenth place in the list of the principal telephone using countries. By March, 1933, this country had displaced Germany and risen to ninth place. So far as the actual number of telephones is concerned there are only two countries with a higher total number of telephones than Great Britain, namely, the United States and Germany. It was felt that the tariff rates were one of the important factors in retarding the speedy growth of the telephone system, and in October, 1934, substantial reductions were announced. The last general revision of telephone tariff was carried out as long ago as 1921 when post-war conditions necessitated an increase of the rates previously in force. The new tariff includes a rate for business users who make few outgoing calls, which has been very successful and has undoubtedly fulfilled a public need. Over 69,000 have already become subscribers to this service. Another innovation is the "group service" rate, which again makes its appeal to the small user whether "business" or "residence." Its distinguishing feature is that several subscribers are served by one exchange line whilst retaining the same degree of privacy for their calls as the subscriber with an exclusive exchange line. As part of the general revision of rates the option of monthly instead of quarterly payment is offered to all subscribers ; the period of notice required from a subscriber who wishes to discontinue the use of the telephone is reduced from three months to one ; the deposit system has been abolished for new subscribers, who will pay instead a connection fee of 15s. or less according to the amount of work



involved in providing service ; and existing subscribers have been given the option of receiving back all deposits in excess of £1 per exchange line if they are prepared to settle their accounts for trunk calls monthly. The reduced charges have already met with a gratifying response, and although as a result an immediate loss of revenue totalling £2,000,000 was incurred, it is confidently anticipated that the benefits of the service will be brought within the reach of an ever-widening circle of subscribers, and that the consequent increase of income will permit the financial leeway to be made up.

A noteworthy development in recent years has been the extension of the telephone system to remote areas, to agricultural and sparsely populated districts. Probably in no part of the country has the advent of the telephone done more to break down the isolation of remote localities than in the North and West of Scotland and the neighbouring islands. Wick, Thurso, Spey Valley, the Orkney Islands and the Island of Skye have been afforded trunk facilities within recent years, and the laying of new submarine cables to Mull and to Lewis has brought the Hebrides within the trunk system and into direct communication with the mainland. Besides linking up isolated places, the Post Office has, by means of call offices, made provision for the casual user. There are now over 40,000 call offices in use throughout the country and they are being installed wherever the need for them arises.

At the same time a steady process of replacement of old exchanges by new ones of a more up-to-date type has been going on. The most familiar innovation is, of course, the replacement of manual exchanges, where the subscriber's wants are attended to entirely by an operator, by automatic exchanges, which make it possible for the subscriber to obtain the great majority of his calls for himself. The number of automatic exchanges in service increased during the year from 1,319 to 1,504. The exchanges which have been converted to automatic working include a considerable number of larger exchanges, so that the total number of subscribers' lines working automatically on 31st March, 1934, was 511,163, or about 37 per cent. of the total number of lines. With the growth of automatic working, subscribers have become more and more familiar with its advantages in speed and accuracy, and it is now very rare to meet complaints of the kind which were common in some quarters during the earlier stages when automatic

working was still a novelty. The next step in contemplation is a further extension of the range of calls which the subscriber may dial without the intervention of an operator. Automatic exchange working has been introduced in 63 of the larger towns in England and Wales and in 5 in Scotland. Conversion schemes are at present in hand at a number of others, of which the largest are Plymouth, Cambridge and Belfast. Appreciable progress has been made with the difficult and complicated problem of converting to automatic working the London system within a ten-mile radius of Oxford Circus. The type of equipment used is the so-called "director" system, with which the subscriber dials the first three letters of the exchange name, as well as a four-figure number. This is made necessary by the size and development of the London area. Sixty-three large automatic exchanges have already been provided of which 13 have been opened since the beginning of 1933. Schemes are in active progress for the provision of 20 more automatic exchanges by the end of 1936, and it is anticipated that the London ten-mile area will be completely converted to automatic working by about 1942. Approximately 50 per cent. of the calls now made by London subscribers are originated on automatic exchanges.

During 1933 the Post Office virtually completed one of its most ambitious telephone schemes—the Demand Trunk programme, which provides for the completion of trunk calls while the originating subscriber is waiting at his telephone. Speed in trunk call working to ensure immediate connection with a subscriber in a distant town has always been an ideal, but for technical reasons it was for a long time difficult to achieve. It is now an accomplished fact. The "Demand" system of operating long-distance calls covers the whole of Great Britain and Northern Ireland, and also includes calls to the Continent during the hours of light traffic. Observations have shown that only in a small proportion of exceptional cases has it been necessary to release the originating subscriber before completing the call. Developments in circuit and apparatus design have also made it possible to afford the same facility for demand trunk working on call-box lines as on subscribers' lines. The advantages of demand working have been appreciated for many years, but a good deal of patient research and experiment in transmission arrangements was necessary before the final result could be achieved. For the purpose of dealing with the

calls, the country is divided into 18 zones, which are further divided into 152 groups, each with its own "centre" for the control of long-distance calls. One important necessity has been an alteration of switchboards. An attempt has been made to link up the introduction of demand working with the conversion to the automatic system, by designing for all exchanges at which operators have to be stationed a switchboard suitable for all purposes. This aim has been achieved, and the new type of board is being installed in all auto-manual, trunk and toll exchanges, including, with minor modifications, local exchanges in London. A demand trunk service was introduced from London to Birmingham in November, 1931, and from Birmingham to London, Manchester and Bristol in March, 1932. By May, 1933, demand working had been introduced at eight of the 18 zone centres for part of their traffic, but the group centres were still working entirely on the old system. Since then progress has been rapid, and demand working is now in force at all the zone centres and at more than three-quarters of the group centres. Approximately 94 per cent. of the total long-distance trunk traffic (which on a delay basis was subject to an average delay of about 15 minutes in the busy hour) is now dealt with on a demand basis. In the majority of cases the time taken from the receipt of the demand to the commencement of conversation does not exceed 100 seconds. Under the old arrangement the average was 10 minutes. Taking into account the short distance (toll) traffic, on which for some years immediate connection has been given, the present total percentage of non-local traffic normally connected while the caller remains at the telephone is approximately 98.

Besides these improvements in the service, an innovation was made on 1st July, 1934, when a new facility of benefit to all, known as the "transferred charge" service, was introduced. It allows a caller to have the charge for his trunk call debited to the account of the called subscriber, if the latter agrees. This service should be of considerable use to commercial travellers, press representatives, people away from home, children at school, members of a family on holiday, and so on. It should prove useful in the case of calls made from call offices when the person wishing to make a call has not the necessary small change readily available.

A telephone subscriber in this country can now communicate with approximately 33,000,000 of the total 35,000,000



telephone subscribers in the world. To-day London is unchallenged as the "World's Switchboard," the vital link between the old world and the new. The attainment of this proud position is remarkable in view of the fact that just after the war this country had telephone communication with two countries only : France and Belgium.

All telephone calls to the Continent are in the main transmitted over submarine cable and land-line, but wireless is utilised for communication to Canada, Australia, India, New Zealand, Africa, the United States and South America.

The secrecy of the radio telephone channels is ensured by the process of "scrambling" the speech at the control panels at the International Telephone Exchange before it reaches Rugby for emission by radio. At the receiving station the speech is rendered intelligible before it is passed to the subscribers' telephone. The Anglo-American Service is the busiest circuit and accounts for approximately 80 per cent. of the total traffic dealt with on the radio telephone services. Four direct services are available to New York, and during times of financial crisis the four circuits are used to capacity by the financial and commercial houses in London, throughout the country and the Continent.

The method of operating recently introduced in the inland trunk telephone service and known as "demand" working, under which a caller is placed in contact with the wanted number without having to replace his receiver, was discussed with the continental telephone authorities by the British Post Office in the autumn of 1933. Proposals for a trial were favourably received, and arrangements were made to establish "on demand" calls between 5 p.m. and 9 a.m. from the London telephone area to the no-delay areas around those continental towns which are connected with London by direct circuits. The area thus covered embraces most of the principal towns in western and central Europe. This method of operation has proved generally satisfactory, and the possibility of its extension to other hours of the day to other towns in this country and abroad is being actively pursued.

Telephone conversation can be effected with the following liners during their voyages :—

White Star liners *Homeric*, *Majestic* and *Olympic* ; Canadian Pacific liner *Empress of Britain* ; Cunard liners *Aquitania* and *Berengaria* ; Anchor liner *Caledonia* ; North German Lloyd

liners *Bremen* and *Europa* ; Hamburg-Amerika liners *Albert Ballin*, *Deutschland* and *New York* ; French liner *Ile de France* ; United States liner *Leviathan* ; Italian liners *Conte Rossa*, *Conte de Savoia*, *Conte Verde*, *Duilio*, *Guilio Cesare* and *Rex*.

The service is extended to fresh ships as they become equipped with suitable apparatus.

Radio-telephone channels carry the urgent business and social communications of continents, but they also function in the service of entertainment and pleasure. Music from the opera houses and concert halls of the Continent ; speeches by prominent statesmen of other countries ; and eye-witness accounts of sporting events abroad are relayed via Faraday Building to the British Broadcasting Corporation's transmitters for radiation to British listeners. In the reverse direction British broadcasts are transmitted to all parts of the Empire. The people of South Africa, for instance, were able to follow the progress of the Boat Race and the Derby from commentaries relayed to Cape Town by radio-telephone, and then broadcast to listeners.

On Christmas Day millions of listeners heard the greetings exchanged between the different parts of the Empire, and His Majesty the King's speech to all his people. Preparation for this broadcast and its successful achievement involved anxious hours to the organisers, engineers, operators and linemen working hard behind the scenes. Rugby transmitted the outward greetings, and the reciprocal good wishes from Ottawa, Wellington, Sydney, Bombay and Cape Town and an ocean liner, were received at Baldock and radiated to Broadcasting House.

Although the traffic handled by the telegraph service has in recent years shown a considerable falling off, the Post Office can claim that it has kept in the forefront of developments in methods of telegraph transmission and staffing. Recent years have in fact produced more rapid and revolutionary changes than have ever before been known in the history of the telegraph service ; and it can be stated with every confidence that the telegraph service is efficient and economically run. The changes referred to have covered methods of transmission, instruments and wires, as well as staffing arrangements. Morse has given way to the modern Teleprinter, which has speeded up transmission by 100 per cent. Research has resulted in the introduction within the last year or two of the voice-frequency

system of telegraph transmission. This system consists in the breaking up, by means of filters, of the frequencies used in ordinary speech transmission into a number of sections, each with a wave-band sufficiently wide to carry telegraphic signals. In this way no less than eighteen telegraph channels can be made up out of one four-wire circuit. The installation of voice-frequency working on main-line circuits started in 1932, and since then forty voice-frequency systems have been introduced, carrying no less than 666 telegraph channels. This system not only resulted in a considerable reduction in the wires required for telegraph purposes, but enabled a number of main-line cables to be set free for telephone trunk purposes. The introduction of voice-frequency working has proceeded so far that practically all the main-line telegraph circuits are now routed in telephone cables. This development has meant also that an increasing proportion of the telegraph circuits are now underground instead of overhead. The voice-frequency system of working has proved eminently satisfactory not only in providing additional channels, but also in improving the stability of the circuits. The average time lost per working channel is now about eight minutes per week as compared with about thirty-five minutes per week on the former physical lines.

Telegraph Offices have been remodelled and various mechanical devices have been introduced with the object of speeding up the circulation of telegrams in the offices themselves. Motor cycle delivery has been introduced in London and in many towns throughout the country and the system is working satisfactorily.

The total telegraph deficit in 1931 exceeded £1,000,000, but it has been reduced till to-day the deficit is £641,000.

Many new services have been inaugurated with the object of rendering the telegraph service of still greater use to the community. A new service of Business Reply Telegrams was introduced on 1st December, 1933. By means of this service a business firm can, by arrangement with the Post Office, obtain special telegram forms, addressed to itself, and send them to its correspondent for use without prepayment of the telegram charges, which are collected subsequently from the issuing firm by means of a monthly credit. The firm using the service determines the maximum amount which it is prepared to pay on each telegram and the period of validity. This service has made a definite appeal to the business community.

The year 1934 has seen a great development in the service of night telegraph letters. Night telegraph letters, which are accepted up to midnight at the rate of thirty-six words for one shilling and can be sent by telephone subscribers in any part of the country, are despatched by telegraph and are delivered with the next morning's post (or by messenger shortly afterwards) in practically every mainland town in Great Britain and Northern Ireland. Special efforts have been made during recent months to bring this service to the notice of telephone subscribers and of the public generally, and as a result the number of night telegraph letters has increased from about 700 to 3,000 per week.

There has been during the past year a considerable extension of telegraph facilities in rural areas. As a result of new administrative arrangements it has been possible to provide telegraph offices at nearly 800 villages not hitherto connected with the telegraph system.

The progress and development of the services provided by the Post Office is due in no small measure to the efficiency of its Engineering Department and the research work continually being carried out. The Post Office possesses at Dollis Hill, London, one of the most up-to-date research stations in the country. In this station, expert research workers study problems which range from the transmission of speech and the interference of electrical plant, to the artificial ventilation of buildings, the deadening of noise and of echo, and the corrosion of metals in impure atmospheres. Much of their apparatus would be comprehensible only to the scientific eye. It includes, however, features which even a visiting layman can appreciate, such as the silence room, specially designed to eliminate all acoustic reflection from its inner walls, and which is described as the most silent room in the world; and chambers in which for the better testing of the corrosion of metals, fogs of different kinds are extensively reproduced. Many famous inventions have been developed within the walls of this research station, the attainment of the "Zero loss" circuit being perhaps the most outstanding in recent years. Telephone engineers throughout the world had long endeavoured to devise a system which would defeat the effects of attenuated speed currents on underground telephone cables. It is to Post Office engineers, however, that the honour of inventing a satisfactory system must be attributed. The "Zero loss" circuit is one so devised

that the subscriber at the distant receiver can receive the speaker's words at the same volume as they left the transmitter.

Another interesting problem associated with the development of long-distance telephone cables has been that of echo suppression. This is essential in two-way telephony. A speaker on a long-distance cable may hear an echo, due to reflection from the far end, of sufficient volume and delay to be disconcerting. The Post Office engineers invented an echo suppressor in which by the operation of thermionic valves only, speech in one direction cuts down transmission in the other direction so that the echo is suppressed—or at least reduced to harmless dimensions—before it reaches the speaker.

Early in 1932 a committee was appointed under the chairmanship of Lord Bridgeman, the other members being Lord Plender and Sir John Cadman, "to inquire and report as to whether any changes in the constitution, status or system of organisation of the Post Office would be in the public interest."

The committee reported against a change in the status of the Post Office to that of a public utility company or statutory authority and advised that the existing parliamentary control over the Post Office should be continued. While, however, they placed on record their opinion that "on the whole the Post Office performed the services for which it was responsible with remarkable efficiency," they made a number of important suggestions and specified certain defects in its organisation as requiring amendment. They singled out, as the two main defects of the organisation as they found it, an over-centralisation at Headquarters, and the fact that all the Post Office profits were taken by the Treasury. In order to remedy the first of these defects, they proposed that a Board should be established representative of the various functions involved, the Postmaster-General acting as its chairman and a Director-General as its deputy chairman. This Board was to consider and construct the policy of the Post Office. The execution of local policy, and the practical application of the methods best suited to that end, were to be devolved upon fully co-ordinated district organisations.

The first step towards carrying out this recommendation was taken early in 1934, when new posts of Director-General and Deputy Director-General were created, in lieu of the former posts of Secretary and Second Secretary to the Post Office, and the Post Office Board was established in accordance with



the committee's recommendation. Its first meeting was held on April 17th, 1934. One of the earliest measures to be adopted on the advice of the Post Office Board was the appointment of a committee to study the other point stressed by the Bridgeman Committee under this heading, namely, the revision of the district organisation of the Department.

Action has also been taken to remedy the second main defect noted by the Bridgeman Committee, namely, the fact that all Post Office profits were taken by the Treasury. The Committee recommended that a sum to be paid out of Post Office profits into the Exchequer for revenue purposes should be fixed for three years at some figure approximate to the amount which the revenue was then absorbing, and that any savings above that amount should be made available for improvements in the service.

These recommendations were accepted by the Government, and the necessary statutory provisions were included in the Finance Act of 1933. They follow in the main the suggestions of the Committee. In general terms the position now is that for a period of three years, beginning with the year 1933-34, the actual or prospective surplus earned by the Post Office from its business with the public, in excess of a basic figure of £10,750,000, will be earmarked for Post Office purposes. The margin of surplus profits will no doubt for the most part and as far as prudently possible be so applied in anticipation: in so far as this is not done, and an actual realised surplus in excess of the fixed contribution to the Exchequer of £10,750,000 arises, it will be carried in the following year to the separate Post Office Fund, under the control of the Postmaster-General.

The year 1933-34, owing to the unexpectedly rapid progress of the trade recovery, proved more prosperous for the Post Office than was anticipated and the realised surplus payable to the Post Office Fund in respect of that year was well over £2,000,000. Even in a business on as large a scale as that of the Post Office a fund of this magnitude will constitute a firm foundation for a progressive and enterprising policy.

It is a corollary of the new financial relation between the Post Office and the Exchequer that there should be a measure of relaxation of the financial control exercised by the Treasury, and this was recommended by Lord Bridgeman's Committee. Accordingly, the powers of the Postmaster-General to incur expenditure without reference to the Treasury have been

extended, especially in connection with telephone works, buildings, and the numbers (but not rates of pay) of the staff, and in certain other directions.

In my opinion, the most significant development which has taken place at the Post Office is that of its relations with the public.

Reticence was once the policy of the Post Office, and this attitude very often led to the charge that its servants stood aloof from the public and that the Post Office paid too little regard to the daily needs of the man in the street.

The reorganisation of the Post Office Headquarters which followed the appointment of the Post Office Board in February, 1934, involved the creation of a new Public Relations Department whose principal function was to deal with questions affecting the relations between the Post Office and the public.

For the first time in the history of the Department the Post Office went to its customers and informed them of the great variety of services which were provided for their benefit, and sought their co-operation in the devising of means for the improvement of those services.

The Post Office can only serve the public efficiently if public requirements are known and if the liaison with its customers is sufficiently intimate to inspire their goodwill and co-operation. I place the highest importance on the value of public co-operation, and I am confident that only by this means can the Post Office progress towards that ideal which forms the inspiration of its many servants.

In 1932 my Advisory Council was enlarged in scope in order that its members should be representative of every section of the community. Advisory Committees have become a most useful feature throughout the country in maintaining close relationship between the public and the Post Office, and during the past eighteen months, steps have been taken to develop and extend their activities, which formerly were concerned mainly with telegraph and telephone matters.

Chambers of Trade and Commerce have given most valuable assistance, and my discussions with their representatives have been fruitful and have indicated clearly that the new relationship established between them and the Post Office is greatly appreciated.

The ideal of the Post Office of 1935 is to serve the public efficiently and to offer the greatest measure of co-operation for

the purpose of carrying into practice all its reasonable desires. The liaison now created between the Department and the public has produced such excellent results that I am confident that whilst it is maintained the Post Office will be enabled to adapt its organisation and services to constantly changing conditions and, at least, attempt to fulfil those qualifications demanded from an ideal Post Office.

Much still remains to be done, but in order to progress there will always be something to be done, and the manner in which the Post Office acquits itself towards the problems of to-day and of the future will determine its status in the public opinion.

H. KINGSLEY WOOD.

*December 15th, 1934.*



*\* \* The Bank publishes from time to time in this Monthly Review contributed articles by exponents of different theories on questions of public interest. The Bank is not necessarily in agreement with the views expressed in these articles.*

## The Economic Position of Holland

*By a Correspondent.*

IT seems appropriate to preface this brief survey of the economic position of Holland at the end of 1934 with an admission. Too many hasty and uninformed, though not unfriendly, judgments have been uttered in recent times on both sides of the Atlantic regarding Holland and its fellow-members of the Gold Bloc.\* Their early abandonment of the gold standard has been freely and frequently predicted. And as they have failed to fulfil these predictions, they have been discussed in terms almost suggesting that they have become anomalies or even economic curiosities. This attitude is perhaps only a natural outcome and at the same time a measure of the sweeping reorientation in monetary matters which most of the world has undergone in the course of the depression. It may justify itself as another instance of the all-familiar shortness of human memory. But it is fair to recognise, at this juncture—regardless of whatever the future may hold in store—that the views hitherto expressed by outside observers and the prophecies which have often accompanied them have for the most part seriously misjudged the strength of political sentiment and under-rated the economic resources of the gold standard countries.

Holland, though more vulnerable in some ways than France, owing to its greater dependence on international commerce, was in a position of exceptional strength when the depression set in. Having recovered from the collapse of the post-war boom, it had enjoyed marked prosperity in the years that followed in nearly every department of its economic

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\* Belgium, France, Holland and Switzerland.

activity. Foreign trade had risen steadily, in fact almost spectacularly, between 1923 and 1929, exports gaining in value by sixty per cent. The public finances were in a thoroughly healthy condition. From 1924 to 1930 there was an unbroken succession of Budget surpluses, ranging from 2 million to 75 million florins and amounting in the aggregate to 331 millions. The National Debt, exclusive of a newly-created floating debt, had, it is true, risen from 1,148 million florins in 1914 to 2,916 millions in 1925; but this increase of 154 per cent. resulting from war and immediate post-war conditions and accompanied by a substantial rise in the price level, was obviously a light burden for Holland to carry in comparison with those of the belligerent States. In fact it was small even for a neutral country. At its highest point the *per capita* indebtedness of 362 florins (£30 at par) provided no source of embarrassment. The interest charge on this debt, moreover, which reached its maximum of 124 million florins in 1925, had been reduced by 1930 to 100 million florins. A floating debt, created during the War, reached its highest level of 858 million florins in 1922; but had been reduced by 1928, simultaneously with reductions in the Fixed Debt, to 218 millions.

No estimates of the national income are available covering the years prior to the depression. The Dutch Revenue Authorities have, however, published statistics showing that total net income assessable for income-tax increased between 1925 and 1930, despite a gradually falling price level, by 500 million florins, or approximately 60 florins (£5) per head of the total population.

Other factors were equally favourable. Thanks to a substantial surplus in its international balance of payments, Holland had become an exporter of capital on a large scale. Through this development it not only added to its foreign investments but increased its international banking and financial activities. The latter may even have proceeded a little too rapidly, for the banking structure disclosed one or two weak spots at a certain juncture. These had, however, been eliminated for the most part some time before the European crisis broke out. Deposits in savings banks increased from year to year during this period. Dutch industry and agriculture—known at all times for their high standard of efficiency

—were visibly prosperous and large profits were being remitted from the Dutch Colonies to the Mother Country.

Holland returned to the gold standard simultaneously with Great Britain in 1925 but under different auspices and with different results. No serious setback was incurred. Although Holland, like Great Britain, was virtually a free trade country, unemployment was negligible, both before and after the step taken in April, 1925, indicating that the price level was adjusted to the re-established gold parity and the international requirements of its trade and industry. The gold and foreign exchange reserves of the Central Bank were, it is true, drawn upon during 1925 and 1926; but the outflow was not sufficient to cause disturbance in the markets and from 1927 onward they increased steadily. From the resumption of the gold standard to 1933 discount rates were consistently lower in Amsterdam than in London. Trade showed a definite upward trend and the country as a whole had no reason to look back until it was caught by the full force of the world depression.

Inevitably the economic crisis has hit Holland severely, more especially since the abandonment of the gold standard by Britain (and the countries that followed it) and the devaluation of the U.S. dollar. All the harder, perhaps, since the Dutch Government has steadfastly refused to seek adjustment to the new world conditions imposed by these changes through the medium of the currency. But in all other ways it has offered stout resistance to the onset of the depression. And as the foregoing remarks show, it has not been without means of self-defence. The export of capital has ceased\* and given place, so far as it is possible to judge, to a re-import of capital. Tariffs and quotas have been imposed on foreign imports. By means of these the adverse balance in visible trade has been reduced from 697 million florins in 1930 to 480 millions in 1933; it has fallen during ten months of the current year by a further 100 millions.

Apart, however, from the support afforded to the exchange through adjustment of the adverse balance of trade, the protective measures adopted perhaps constitute an even greater

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\* The export of capital from Holland through new issues and flotations has in recent years been actively restrained by the Authorities.

revolution in fiscal policy for Holland than they did for England. For whatever may be the long-term effect of the newly-created barriers upon Dutch exports, the abrupt change-over from free trade to high protection has conferred immediate benefit on many branches of domestic trade and industry in Holland as it did in the United Kingdom. It has lessened the impact of the crisis, supported the internal price structure and thereby prevented still greater unemployment. At the same time much-needed additional revenue has been secured for a Government harassed by the difficulties of having to pursue a course of retrenchment on some sides while finding itself simultaneously obliged to incur emergency expenditure on others.

No recourse has been had at any time to exchange control, but the export of gold from the Central Bank is permitted only to countries which reciprocate in this respect. This rule, instituted when the gold standard was resumed in 1925, has since been reinforced by the provision that gold shall only be released by the Netherlands Bank for export if it is directly consigned to the Central Bank of the importing country. Unless, therefore, special agreements were concluded between the competent Authorities of the two countries, Holland could not lose gold to the British Exchange Equalisation Account, as France is believed to have done at various stages of the crisis.\* Hence the gold reserve of the Netherlands Bank, which has increased through the repatriation of foreign assets and now bears a proportion of nearly 100 per cent. to notes in circulation, is comparatively immune against attack. No drain on a scale which could produce measurable disturbance is likely to ensue from the direction of France, Belgium or Switzerland; and though the devaluation of the dollar caused a slight tremor, a temporary increase in the discount rate of the Netherlands Bank proved sufficient to counteract it. Technically, its position seems impregnable.

In the domestic sphere the measures applied by the Government to preserve a state of well-being for the country

\* From this it follows that if a similar policy had been pursued in France the British Exchange Authorities would at various junctures, after devaluation by the United States, either have had to take the risk of buying substantial amounts of exchange which they could not convert into gold, or have been obliged to allow sterling to fluctuate much more widely under the influence of capital movements than it has done.

as a whole have principally taken the form of relief to unemployment; subsidies to agriculture and shipping; and the undertaking of public works. These items are naturally proving costly\* and the Government itself is known to regard them as measures of a purely emergency character, to be discontinued as soon as circumstances may permit. Stress is laid upon the point that no permanent change-over to a managed and subsidised economy is contemplated.

The Government has received numerous deputations of distressed industrialists and exporters urging the necessity of devaluation or financial support and envisaging bankruptcy as the gloomy alternative. If report is correct Government assistance has not been withheld in cases palpably warranting its consideration; but in turn it has not hesitated to insist with energy upon the need for self-adjustment by industry through rationalisation, administrative economies and technical improvement. Admonition of this kind must at times have fallen harshly upon industries already conspicuously efficient, but now beset with difficulties arising out of no shortcomings of their own. None the less the stern attitude of the Government has not been without some good effects. Many Dutch industries are holding their own more successfully than they themselves would have believed possible some years ago, though the weaker brethren are of course also in evidence.

The Government itself has endeavoured to reduce, or rather to restrict, expenditure wherever possible. As a result of healthy monetary and financial conditions, aided by public confidence in the administrative ability and fiscal honesty of the Government, the conversion of indebtedness to lower interest rates has been possible on a large scale and the new loans required have been raised on favourable terms. In this respect Dutch Finance Ministers have throughout the depression enjoyed great advantages over their French and Belgian colleagues. Dutch Government securities stand to-day at the highest levels touched since the War, yielding the investor less than 4 per cent. At the same time the floating debt, which has risen once more to 650 million florins (from the low figure of 218 millions already referred to) has all

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\* It has been estimated that subsidies to agriculture have already reached the substantial sum of 200 million florins per annum.



along been carried at rates comparable to and sometimes lower than those ruling in London.

The wages and salaries of Government and Municipal employees have been reduced, though less drastically than in some other countries; and perhaps less than proportionately to the fall in prices. Deflation, if it has been practised at all by the Government, has been on a much more limited scale than that which adverse circumstances themselves have imposed on trade and industry. In fact it would perhaps be nearer the truth to say that the Government has steered a middle course between deflation and inflation, departing when necessary from orthodox methods, to keep up production and preserve a tolerable degree of welfare among the various sections of the population in the face of besetting difficulties. In this it has succeeded to a remarkable degree, though at the cost of substantial additions to short and long-term debt. The former, as already mentioned, has been trebled in the last three years. The latter has risen from 2,338 million florins in 1932 to 2,722 millions in 1934. Without a radical change in policy it appears likely to revert before long to the high level of 1925 (2,916 millions). If it does, it will constitute a greater real burden owing to the severe fall in prices, though interest charges will be lighter than in 1925. It is true that the absolute size of Holland's National Debt is not in itself a menace. On the contrary, it is conspicuously modest, even to-day. Interest charges have rarely accounted for more than one-fifth of Budgetary expenditure.

Municipal debts, however, add a second charge of almost equal size. From 1,770 million florins in 1925 they have risen to 2,500 millions in 1934. To a considerable extent, of course, the proceeds of Municipal loans have been invested in productive and monopolistic undertakings for the supply of gas, water and electricity whose profits go to swell Municipal revenue. These have not sufficed, however, to keep Municipal Treasurers out of difficulties\* in recent years and the Government has had to render them assistance which it is now endeavouring once more to scale down. In this connection

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\* Largely due to the expenditure for social relief in which growing unemployment has involved them. This is borne partly by the Government and partly by the Municipalities.

it is sometimes complained that in order to secure profits, the municipally-owned utility undertakings charge high rates for their supply; which in turn defeat efforts to reduce the cost of living. The same criticism is applied to the capital invested in public housing schemes. The reduction of house rents, which is regarded in many quarters as vital if further headway is to be made in lowering the cost of living, and with it any reductions in costs of production are precluded by the necessity of meeting interest charges.

Thus the question arises whether if Government and Municipal indebtedness should continue to record additions at the rate of the past three years, the saving and investing public will continue to offer the Government the loan of its resources as readily as it is doing to-day. It would, moreover, come as no surprise if Government expenditure on the present scale were once more to bring about a sensible deterioration in the balance of payments, such as Germany and Italy have experienced. Holland would, no doubt, be able to withstand a drain on its resources for a considerable period out of past accumulations of wealth such as Italy lacks; but on the other hand it would be denied the possibility of cheapening its exports by the German devices dependent upon past accumulations of—indebtedness.

Taking the position as a whole, however, there is a more important consideration than the increase in dead weight debt. Despite a revolution in fiscal policy, cheap money, heroic self-adjustment by industry and scrupulous economy combined with sober spending on the part of the Government, there are no indications that the downward trend, which set in at the beginning of the depression, has been reversed or even definitely arrested. Apart from capital items, the Budget with expenditure at the highest level for over ten years and nearly 200 million florins in excess of that for 1933 (742 million florins against 572 millions) is seriously unbalanced. The estimates showed a deficit of 92 million florins which, however, is not to be met by additional taxation but by economies to be carried into effect in the course of the year. Whether these will be possible on the scale envisaged is a matter of some uncertainty. Foreign trade is stationary, or even declining slightly. Unemployment, though below the worst levels experienced at the end of last and beginning of this year, appears to be once more rising.

### UNEMPLOYMENT (Official Statistics)

			End of :	1933	1934
Average	1931	...	138,200	January ... 398,641	292,705
"	1932	...	271,092	April ... 312,752	309,909
"	1933	...	322,951	July ... 280,237	297,744
				August ... 274,859	302,095

### FOREIGN TRADE

Monthly Average			Imports	Exports	
1930	...	...	201.5	143.2	
1931	...	...	157.7	109.3	
1932	...	...	108.3	70.5	
1933	...	...	100.7	60.5	
Monthly Average			1933	1934	
1st Quarter	...	...	91.0	92.1	59.1 55.9
2nd "	...	...	90.4	87.3	59.2 56.9
3rd "	...	...	106.7	84.3	64.0 65.2

Shipping and shipbuilding are contending with such difficulties as to be virtually dependent upon the Government for their continued existence. (This, it is fair to add, applies in many other countries; but the shipping industry is not equally important to all of them.) Some provisional estimates recently published by the official Central Bureau of Statistics indicate that the foreign income derived by Holland from its shipping services has fallen from 155 million florins in 1930 and 125 in 1931 to 65 millions in 1933.

Movements of the price-level—that all-important dynamic factor in our economic systems—are, however, more reassuring. Wholesale prices, having fallen by 50 per cent. since 1928, have been relatively stable over the last two years and are now slightly above the average level of 1933, though below that of the first quarter of the current year. The cost of living index has declined from 100 (1928) to 82.8, but it too has scarcely moved in the last three years. As the foreign trade returns suggest, the Dutch price-level is still unadjusted to world prices in general; but it does not appear to have exerted any pressure on the exchange which has remained stable, without control or support, in a free market. Holland, like Switzerland, appears to have derived greater advantage from a comparatively stable, although still artificially high, price-level than France and Belgium seem to have secured



by forcing their prices downward. These countries have subjected their domestic trade to the destructive effects of falling prices without regaining equilibrium for their foreign trade. According to the appended index figures, prices fell more quickly in Holland between 1929 and 1932 than in the other Gold Bloc countries, but regained greater stability in the subsequent period.

### GOLD BLOC

#### INDICES OF WHOLESALE PRICES (1928=100)

			Holland	Switzerland	Belgium	France
1929	...	...	95.3	97.6	100.9	97.2
1930	...	...	78.5	87.5	88.2	85.8
1931	...	...	65.1	75.8	74.2	77.8
1932	...	...	53.0	66.4	63.1	66.2
1933	...	...	49.6	62.9	59.4	61.7
1934						
January	...	...	53.0	63.5	57.4	62.8
April	...	...	53.0	62.0	56.2	60.0
July	...	...	51.0	61.5	55.9	58.4
September	...	...	51.6	61.6	55.7	56.5

Industrial production has closely followed the course of prices. After a severe and rapid decline earlier in the depression, it has steadied itself at a level rather above the worst. But compared with the experience of many of the countries off the gold standard, such as the Scandinavian States, the recovery of the last two years has been insignificant. The general index of production (published overleaf) has fallen to 71.4 per cent. (1928=100) for the first nine months of the current year, but at this level shows an improvement over 1933 (70.9) and 1932 (63.9). The greatest decline is to be found in the production of capital goods, for which a separate index is published, though there has been an improvement in the last two years. The production of consumption goods has been well maintained until recent months, when it has again shown a tendency to fall away. The same may be said of the building trade, whose activity, though below that of Switzerland, has contrasted with that of France and Belgium. The Dutch coal mining industry has doubled its output since 1924, and unlike that of the countries producing for export has not suffered a marked setback in recent years.

## INDICES OF PRODUCTION (1928=100)

			General Index	Capital Goods	Consumption Goods	Building Activity
1930	...	...	93.7	86.2	103.2	106.3
1931	...	...	81.0	62.6	105.6	99.3
1932	...	...	63.9	45.6	88.9	68.7
1933	...	...	70.9	54.9	92.1	112.5
1934						
January	...	...	75.3	52.3	106.4	95.1
April	...	...	77.2	58.0	103.2	102.9
July	...	...	68.4	60.0	79.4	88.6
September	...	...	52.0	50.8	77.8	—

In the foregoing pages an attempt has been made to present, in broad outline, a fair if necessarily incomplete picture of the economic position of Holland after five years of world-depression. This is a task involving some study but little skill. The facts are there. But contemplation inevitably leads the mind to speculation and we are driven to ask, what of the future?

Here we have to venture on to difficult and dangerous ground, and the best course is to base our views upon the most outstanding features of the situation. These, at any rate, are simple. Despite all the shocks of the world crisis, the economic position of Holland remains one of compact strength. Government credit is at its highest and money cheap. The position of the Central Bank is unassailable and the exchange in no jeopardy whatever. An adverse balance of trade is being steadily reduced; and industry, in many branches, has achieved a remarkable degree of adjustment in trying circumstances. On the other hand the trend as a whole seems downward rather than in the direction of recovery. Foreign trade is making no headway and unemployment is almost at its highest. The price-level, though relatively steady, is still out of touch with world prices. Moreover it is kept at a level high enough to sustain domestic trade and agriculture only by means of large subsidies which are adversely affecting public finances.

The conclusion which suggests itself is that Holland will be able to protect itself for an indefinite time against further serious deterioration of its position, but that the recovery of prosperity is unlikely to be achieved by its present method of adjustment to world conditions. The alternative method

of adjustment by devaluation of the currency is strongly discountenanced by the Government, and the Government itself is a very strong one, supported by a broad coalition of all parties except the Right and Left Wing extremists. It is certainly master in its own household and, as already pointed out, it is at the head of a country strong enough to resist outside forces though unable to influence them. Hitherto its policy has not been seriously called into question or widely opposed; nor is it likely to be unless a stage is reached when a decided lowering of the general standard of living has to be enforced in order to prevent the public finances of Holland from getting into dangerous disorder. Then, presumably, the Government will have to decide the issue between deflation and devaluation, as in the last resort it should do, on grounds of social and political equity.

### Notes of the Month

*The Money Market.*—At the end of November discount rates recovered from the low levels touched earlier in the month, and after having been quoted at  $\frac{1}{4}$  per cent. three months' Treasury bills rose temporarily to  $\frac{1}{2}$  per cent. The market became slightly easier towards the middle of December, but even as late as December 21st the rate was as high as  $\frac{1}{2}\frac{1}{2}$  per cent. There are various explanations of this recovery in rates, and it is important to notice that all of them were temporary. To begin with, the Government had to borrow to cover the War Loan dividend payment of £35 millions on December 1st and also to meet current expenditure, and as a result the tender issue of Treasury bills increased from £422 millions on November 17th to £448 millions four weeks later. An extra £26 millions of bills thus became available to the market. Secondly, money was inclined to be scarce at the end of November, as the Treasury were accumulating an unusually large amount in public deposits at the Bank of England, and while the War Loan dividend payment released those funds in early December, the banks were then beginning to lose cash to the public in the form of Christmas currency withdrawals. Between November 21st and December 24th the note circulation expanded from £376·9 to the record figure of £405·2 millions, so that the banks lost £28·3 millions in cash. Finally bill-brokers were not buying more bills than they could help before the end of the year, as they knew that on December 31st loans from the banks might not be forthcoming and that they might have to borrow for at least a week from the Bank of England at the relatively high rate of  $2\frac{1}{2}$  per cent. For this same reason there was up to Christmas a keen demand for loans into the New Year at rates running as high as 2 per cent. These influences were all temporary. Now that the New Year has opened, revenue will come in in large amounts, and heavy reductions in the Treasury bill issue will be made. The Christmas currency will also be paid back into the banks, increasing their supply of money, while the deterrent of borrowings from the Bank of England over the end of the year will have ceased to operate. Against this must be set withdrawals from the banks in the form of tax payments. Still, on balance, many members of the money market expected a sharp relapse in discount rates after the opening of the New

Year, and indeed the Treasury bills issued by tender on December 28th and paid for in the New Year went at the low average rate of just over  $\frac{5}{16}$  per cent.

*The Foreign Exchanges.*—Sterling was inclined to weaken during late November and early December. The successful entry into power of the new French and Belgian Governments has for the moment restored confidence in those countries, and the panic flight of funds to London noticeable during late October and early November has since ceased. In the meantime the seasonal pressure upon sterling due to autumn purchases of dollars persisted until Christmas, and it became clear that what had really happened was that this pressure had been temporarily masked by the flight of funds from the Continent into London. The period of seasonal buying of dollars, however, should now be at an end, and then sterling should recover. Though confidence in most of the gold *bloc* currencies has to some extent been restored, gold continued to flow from Paris to New York, and between November 2nd and December 21st the Banque de France's gold reserves fell from Frs.82,525 to Frs.82,123 millions. The gold *bloc* currencies were to some extent subject to seasonal pressure as well as sterling, while British and Continental buying of American securities has been reported. During early December, the Italian lira became a centre of interest. During the whole of 1934 the Italian trade balance had been growing more adverse, as importations of raw materials required for public works schemes were not balanced by an increase in exports. Italian prices also refused to follow French prices in their downward course, so that the lira tended to become over-valued. In consequence the Bank of Italy lost gold until by October its ratio of gold reserve to liabilities had fallen nearly to its statutory minimum of 40 per cent. On November 26th the Bank of Italy's discount rate was raised from 3 to 4 per cent. as an initial defensive measure. A fortnight later decrees were issued compelling all persons or institutions domiciled in Italy to disclose to the authorities their holdings of foreign money, bank balances, debts due to them, and securities; and giving the authorities power to acquire compulsorily such foreign assets if such action becomes desirable. By these means it is hoped to counteract any further weakness of the lira or gold losses, and to obviate the devaluation of the lira. This last is thought

undesirable both because of the high level of the cost-of-living in Italy, and also because of the need of preserving the value of the savings of the population which to-day are both large in the aggregate and widespread. Italian savings, in fact, have played an important part in financing public works, and for this reason alone it is essential to guard them against any risk of depreciation.

*The Stock Exchange.*—Early December witnessed a slight but definite reaction in the prices of British Government securities, and many industrial shares weakened in sympathy. Such a reaction was only natural after the sharp rise in prices registered during November, especially as during the past few weeks the market has been trying to take a view of the New Year. There is a general expectation of a new Government conversion issue, coupled with the fear that once this has been made, prices in the gilt-edged market may react. It is not, however, easy to see any definite justification for this doubt, which may be largely psychological in character, and a definite recovery in the gilt-edged market occurred at the end of the year. The industrial outlook is also being scrutinised very carefully. Recent dividend declarations have begun to reflect the recovery and have imparted a firm undertone to the market, but many operators are a little wondering if the time is not approaching when they should take part of their profit on the recent rise. Home rails have been quiet. Current traffic returns have ceased to show much improvement over those of the previous year, and the market is inclined to await the final dividend announcements. L.M.S. Preference Stocks improved on the intimation that the dividends on the senior Preference Stocks would be paid in full by the foreign bond market. European issues have improved as a result of the decision to send British troops to the Saar and the settlement at Geneva of the Hungarian-Jugo-Slav dispute. Brazilian bonds weakened as a result of new exchange regulations, which in some respects are thought to discriminate against remittances to England. Gold-mining shares have been very steady. The December dividend announcements were in accordance with previous expectations. Copper shares strengthened on reports that new restriction schemes were under discussion, while tin shares also improved on good dividend announcements. Tea shares have weakened, as current Mincing Lane prices are



thought disappointing. Rubber shares have also shown a tendency to weaken owing to a certain lack of faith in the permanency or efficacy of the present international restriction scheme.

*Overseas Trade.*—After the record trade returns for October, it was hardly to be expected that the November results would be as good. Yet while imports have fallen back from £69·0 millions to £64·7 millions, exports of British goods for November were £36·1 millions, or practically up to the November level of £36·7 millions. Compared with November, 1933, imports have risen from £63·7 to £64·7 millions, and British exports from £34·4 to £36·1 millions. All the indications, therefore, are that the trade revival is being well maintained.

Description	Jan.-Nov., 1933	Jan.-Nov., 1934	Increase (+) or Decrease (-)
	£ mn.	£ mn.	£ mn.
Total Imports ... ..	612·9	669·6	+56·7
Retained Imports ... ..	567·8	621·9	+54·1
Raw Material Imports ... ..	161·5	191·1	+29·6
Manufactured Goods Imports ... ..	137·6	157·6	+20·0
Total Exports, British Goods ... ..	337·0	361·9	+24·9
Coal Exports ... ..	29·0	29·4	+ 0·4
Iron and Steel Exports ... ..	27·2	32·1	+ 4·9
Cotton Exports ... ..	54·4	54·4	—
British Manufactured Goods Exports ... ..	258·5	279·2	+20·7
Re-exports ... ..	45·1	47·7	+ 2·6
Total Exports ... ..	382·1	409·6	+27·5
Visible Trade Balance ... ..	-230·8	-260·0	-29·2

The completion of the eleventh month of the year makes it possible to form some idea of our trade balance for 1934. As far as our commodity trade is concerned, the adverse balance for the eleven months has increased from £230·8 to £260·0 millions. The adverse balance for the whole of 1933 was £258 millions, and it may rise to about £285 millions for the whole of 1934. Against this increase must be set a probable small improvement in our net shipping earnings for the year and also some increase in our income from overseas investments. For 1933 the adverse balance of payments, including both visible and invisible trade, was £4 millions. For 1934, after allowing for some improvement in our invisible exports, it ought not to be more than £15 millions or £20 millions.

*Commodity Prices.*—Wholesale prices in England have become distinctly firmer during the past few weeks, and the slight reaction noticeable in the early autumn has now been definitely checked. The low point was touched in the first week of November, when an index number of 105.2 was recorded, against 100 in September, 1931. Since then the index figure has risen to 106.5 for the third week of December. Among those commodities which have risen in price since early November are wheat, beef (both Argentine and English), mutton (New Zealand), butter, cheese, raw cotton (both American and Egyptian), silk, jute, flax, copper and linseed oil. In some cases the advance exceeds 10 per cent. Wool prices are a shade weaker, but have tended to harden since the beginning of December. Rice, potatoes, lead, spelter, hides and shellac have fallen since early November.

American wholesale prices have remained very steady during the past two months at about 14 per cent. above their level of September, 1931. If anything, they have fallen during recent weeks. French wholesale prices continued to sag until the middle of December, when there was a slight recovery to 78.6 per cent. of their level of September, 1931. Italian wholesale prices have slowly advanced to a figure of 85.2, while German wholesale prices are steady at about 93.0 per cent. of their September, 1931, level.

In England, the official cost-of-living index number remained unchanged during November at 44 per cent. above its level for July, 1914. The retail food price index number was also unaltered at 27 per cent. above its pre-war level. As food prices are normally subject to a slight seasonal increase during November, the absence of any movement is equivalent to a slight decline.



## Home Reports

### The Industrial Situation

Further evidence of progress became apparent during the closing weeks of the year, and the outlook is encouraging at least for the early part of 1935. Perhaps the most hopeful features of the present situation are the numerous signs of freer spending by the general public. Retail trade for November registered an increase in value of 3.9 per cent. over that of November, 1933, this increase being well spread over all parts of the country and common to all branches of trade with the single exception of piece-goods. Christmas trade was very active, and the note circulation rose from £377 to £405 millions, the latter figure being a record since the amalgamation of the note issues in 1928. London bank clearings for December also showed an advance on the previous year.

As regards production and employment, here again recent indications are good. Notwithstanding seasonal increases in certain trades, unemployment was no worse in November than in October, and there were improvements in the cotton, wool, hosiery, footwear and motor industries. Coal production continues to exceed that of last year, although the mildness of the early winter must have affected the house coal trade. The output of iron and steel remains at a high level and order books are well filled for the New Year. Building plans passed during November were 20 per cent. above those for November, 1933. Electric power consumption, though inclined to diminish during the last month or two, is 20 per cent. greater than a year ago. Railway goods traffic receipts still compare favourably with those of last year when allowance is made for the reduced consumption of house coal. Wholesale prices, which were inclined to sag during the early autumn, have since shown a tendency to harden. The only factor at all unfavourable was a slight decline in November raw material imports as compared with the previous year. This was due to a contraction in raw cotton and raw wool imports, but many other categories continue to show an improvement. Exports continue in excess of those of the previous year.

News from abroad is perhaps a little better. Reports from the sterling area countries including both the Empire and Scandinavia, remain encouraging. South Africa is passing

through a period of almost unparalleled prosperity, with a definite shortage of skilled labour in certain trades. The latest reports from the United States appear rather more hopeful. Christmas trade has been good, and production in the heavy industries is improving. News from the Continent is more variable. Unemployment is increasing in France, but reports both from the steel trades and from the Roubaix textile trades are rather better. No improvement is reported from Holland or Belgium, but in Germany industrial production is being well maintained. Taking the world as a whole, there is evidence of a slight general recovery, but trade is still largely at the mercy of political cross-currents and restrictions upon international commerce. At the moment, however, the political outlook appears more settled and the world trade curve is moving in the right direction. This augurs well for the maintenance of the present improvement in the British internal trade situation.

### Agriculture

*England and Wales.*—According to an official report land work generally was well forward on December 1st. Autumn-sown corn appears to be strong and healthy. The total production of potatoes is estimated at about 3,439,000 tons. On good soils the tubers are of a fair size, but on lighter lands the proportion of smalls is higher than usual. The total production of mangolds is estimated at 4,733,000 tons. Roots appear to be sound and of good keeping quality. Turnips and swedes are poor crops and the estimated yield of 9.0 tons per acre compares unfavourably with the average yield of 12.4 tons for the last ten years. The yield of sugar beet is well up to expectation, and the sugar content is generally higher than usual. Cattle and sheep have done fairly well during November. Winter keep has not been drawn upon to any appreciable extent. Milk yields are about normal.

*Scotland.*—Although farming operations have been retarded to some extent by the wet weather during the past month, cultivation generally is well advanced owing to the open season. Winter-sown wheat is looking well and, in some districts, is advancing almost too rapidly considering that the winter is practically still in front of us. The outstanding feature of the Returns of the produce of crops in

Scotland for the year 1934 just issued by the Department of Agriculture is the increase in the production of wheat, barley and sugar beet. In the produce markets supplies have been well forward. Best quality oats have maintained their value, but barley has been in restricted demand by distillers. The potato trade has been quiet with prices unchanged; Kerrs Pink and similar varieties are quoted at 45s. to 50s. per ton. In the livestock markets there has been a better demand for cattle and quotations have risen. Sheep have also maintained recent values.

### **Coal**

*Hull.*—There is a steady demand for all classes of coal. Prices are consequently quite firm.

*Newcastle-upon-Tyne.*—There has been the usual seasonal demand and all grades of Northumberland coal are very firm. Durham is also better placed, particularly for steam coal and best bunkers. The collieries are all well stemmed for the next few weeks and any free parcels command improved prices.

*Sheffield.*—Local collieries were very busily employed during December and had to raise much bigger tonnages in order to complete the December quota. Demand is well maintained, particularly for home contracts. The export trade remains steady with a shortage of certain qualities. Business in domestic fuels is brisk.

*Cardiff.*—Fairly good bookings are reported for patent fuel, and cokes generally continue to be in steady demand. New business is not particularly active. The Spanish Norte Railways are in the market for about 30,000 tons for delivery over six months, and a small order for the Norwegian State Railways has been placed in South Wales. Large coals are in plentiful supply, but sized and washed small grades are scarce.

*Newport.*—Foreign shipments during November amounted to 172,000 tons, or to 2,000 tons more than in October and 53,000 tons more than in November, 1933. Shipments, foreign and coastwise, from the docks averaged 54,000 tons per week against 56,750 tons in October and 47,000 tons in November last year. The working of the Monmouthshire collieries is still irregular, but outputs show some improvement.

*Swansea.*—Best quality anthracites continue to move satisfactorily and prices are firm. Second quality anthracites show an irregular tendency and screened qualities are generally neglected. Steam coals are meeting with very little attention and bunker qualities are moving slowly.

*East of Scotland.*—In Fife there has been a sustained demand for first-class steam coal, and third-class steams are also firm. In the Lothians all classes of steam coal are strong and difficult to obtain for immediate delivery. Washed fuels are active on both sides of the Forth and trebles have improved.

*Glasgow.*—There has been considerable activity at the collieries in all Scottish coal districts. Supplies were very scarce for export by the end of December owing to a good home demand. It was practically impossible to obtain round and small coals in normal cargo qualities, and business in the export market was confined mainly to odd lots which were taken by exporters who needed them in order to complete cargoes. The market for coal for export in January was quiet.

## Iron and Steel

*Birmingham.*—Markets show little change. Steel makers have a fair number of orders on hand. Demand for structural steel has improved. Pig-iron is in fairly good demand and forward buying is well maintained.

*Sheffield.*—The position of the local iron and steel industry continues to be strong. Turnover has remained steady throughout 1934 and there are prospects of the present satisfactory state of trade continuing.

*Tees-side.*—There was the usual seasonal falling off in new business at the end of December, but the outlook for 1935 is hopeful. Pig-iron makers have good order books and are under obligation to supply heavy tonnages over the first six months of the year. The consuming trades are busy and there are hopes of a steady expansion in trade during next year. Export trade has shown a slight improvement. Steel manufacturers report a steady flow of specifications in all departments except shipbuilding and rails. Business in structural and semi-finished materials and also in sheets is steady.

*Wolverhampton.*—Conditions show little change and business is satisfactory.

**Newport.**—Monmouthshire works are still busy and have well-filled order books. Imports of semi-finished materials averaged 5,500 tons per week in November against 9,600 tons in October and 3,900 tons in November, 1933. Exports averaged 3,200 tons per week against 3,600 tons in October and 2,800 tons in November, 1933. Monmouthshire works are still busy with well-filled order books.

**Swansea.**—The tinplate market is quieter but a steady tone is maintained. Production has fallen to approximately 60 per cent. of capacity, owing to difficulty in obtaining specifications and delivery instructions. The home market has been good and sales are well up to the average.

**Glasgow.**—Makers of heavy steel in the West of Scotland received fewer specifications in December owing to the approach of the holidays. Consumers took reduced deliveries in order to keep stocks as low as possible for inventory purposes. In the sheet trade heavy gauges were in good demand, but light black sheets and galvanised descriptions were very poorly specified. Tube makers experienced a seasonal slackness. In the wrought iron and steel re-rolling trades keen continental competition prevented any improvement in order books, and short time was still unavoidable at the works. The output of pig-iron from the thirteen furnaces in blast was well absorbed.

## **Engineering**

**Birmingham.**—In the chromium and allied plating and polishing trades good business has been done, but prices are very competitive. Most motor manufacturers and motor car accessory makers are still extremely busy. Sheet metal workers have experienced a brisk demand and business in electric dynamos is fair.

**Coventry.**—The activity in the motor vehicle manufacturing trade was well maintained during December. The machine tool trade continued to be fully employed.

**Leeds.**—In the lighter sections trade shows a slight improvement.

**Sheffield.**—General engineering trades showed a further slight improvement over the previous month. All branches of the tool sections are well employed on both home and export account and show no signs of any slackening off. File manu-



facturers are busier than they have been for some years. Makers of saws and wood-working tools hope to obtain substantial benefits under the new trade treaties with Latvia, Lithuania, Esthonia and Poland.

*Wolverhampton.*—The electrical trade is active and orders on hand for plant are good. Makers of batteries and other requisites are working at full pressure under seasonal demand. Motor vehicle manufacturers and suppliers of accessories to the trade record a steady improvement. Tyre makers are also busy. Both commercial and passenger vehicles are in good demand and substantial orders have been booked.

*Glasgow.*—Clyde shipbuilding and engineering firms have an encouraging volume of work booked and are in much the same position as at the beginning of 1934. Orders for Admiralty vessels were placed in the last quarter of the year, including four destroyers. Among other contracts received were a troop-carrying motor boat and some half-dozen cargo steamers. The output of tonnage in one yard on the Clyde in 1934 is the highest in the world. Six boats aggregating 87,590 tons were launched from this yard and the engineering output amounted to 85,170 horse-power.

### **Metal and Hardware Trades**

*Birmingham.*—There is little change in the cold rolled brass and copper section. Raw material prices remained steady. Markets were quiet during December owing to seasonal causes. The improvement in export business is maintained.

*Sheffield.*—The seasonal rush in the cutlery and plate trades began and ended much earlier than usual. A few firms were busy during December, but the majority were badly placed for orders.

*Wolverhampton.*—The hardware trade has extended considerably during the last few months. Makers of builders' and plumbers' goods are well employed, and the demand for locks and security work generally is satisfactory. The edge tool industry shows improvement and orders from Australia and South America are good. Hollow-ware trades are maintaining a steady output, and demand for sheet metal goods is satisfactory.



## Cotton

*Liverpool.*—Trading on the futures market has been quiet and featureless, and business has been generally confined to necessary moderate trade transactions. Prices have accordingly fluctuated within very narrow limits. Lately, however, a better tone has prevailed and demand has slightly improved. While the United States Government continues to hold stocks of such magnitude, there appears little prospect of any rise in prices other than small day-to-day fluctuations, for as soon as values improve, sales are made by the Government and cause a reaction. President Roosevelt is said to be aiming at the price of 15 cents, but this cannot be achieved without either severe crop restriction or a great improvement in World demand. In the meantime, the farmers have voted for the continuance of the Bankhead Bill, largely on the President's personal influence. Some little time ago the general opinion was that the United States, as a result of their crop policy, were sacrificing their trade to countries producing outside growths, but this now appears to have been an exaggeration as an increasing demand for American cotton is in evidence. The above factors would undoubtedly excite sentiment of a bullish nature were it not for the large stocks in the hands of the United States Government. Pending a more decisive announcement on the part of the United States Administration, the speculative element remains practically dormant. On the spot market, rather more business has been doing in American growths, as more cotton has been available. Trade in outside is still very active, especially in Brazilian and Peruvian. During the early part of the month, Manchester reported a more encouraging market with a good volume of enquiry. Recently, however, there has been less activity, as immediate requirements appear to have been filled. The approach of the holidays has also had a slackening effect. At times there has been a fair demand from India, chiefly for light and fancy goods.

## Wool

*Bradford.*—Prices continue firm in consequence of the hardening tendency both in Australia and New Zealand, and it is difficult to get any concession from top-makers. Spinners are busy and machinery activity is well maintained.

*Huddersfield.*—There has been a seasonal decrease in activity at the woollen mills. Merchants' stocks, however, are believed to be decreasing and an upward movement is expected shortly.

*Hawick.*—The border tweed trade remains inactive. Few new orders are coming forward either for the spring of 1935 or the winter of 1935-36. Hosiery and underwear manufacturers report better business and there has been some revival in the demand for knitted woollen goods for outer wear. Dyers and spinners remain quiet.

### **Other Textiles**

*Dundee.*—Conditions in the jute market have shown a slight improvement on account of a firmer tendency in raw jute. This may be due more to a larger volume of enquiry than to the placing of actual orders. So far buyers have contented themselves with taking small lots, and the approach of the holidays made quick delivery the most important consideration.

*Dunfermline.*—There has been greater activity, accompanied by an all-round rise in prices, in the Fifeshire linen trade. Spinners have reached the stage where they must replenish their stocks irrespective of cost, and buyers of linen goods are beginning to realise that there is no immediate prospect of cheaper prices.

### **Clothing, Leather and Boots**

*Leeds.*—The trade continues to be well employed and should remain so for the next few months.

*Northampton.*—The position of the boot and shoe trade is fairly satisfactory. The Manufacturers Association have ratified the National Agreement of 1935 conditionally upon the Drucquer Award ceasing at the end of this year. Business in leather and hide has improved.

### **Shipping**

*Hull.*—Enquiry for tonnage is limited. Rates for most directions are well maintained.

*Liverpool.*—Enquiry for tonnage from outward coal ports has been fair and rates are steady. Homewards from the River Plate rates have been well maintained. Atlantic-American trade is dull and demand for tonnage is limited. The Eastern and Australian sections are quiet and unchanged.

*Newcastle-upon-Tyne.*—The Mediterranean market is quiet but steady. Coasting and Baltic directions have improved.

*Cardiff.*—The shipping position is better owing to the arrival of tonnage in the middle of December, which had previously been delayed by bad weather. The freight market has remained practically unchanged. Rates for handy vessels are maintained and demand is steady. For large tonnage an easier tone prevails, as charterings for December loading had been practically completed.

*Newport.*—The outward markets show a firmer tendency. There are still four vessels laid up in the docks. November receipts from harbour dues were slightly lower than in October, but considerably above those for November, 1933.

*Swansea.*—The freight market is very bare in all directions, but tonnage is still offering very slowly. Rates are being maintained fairly well at recent improved figures.

*East of Scotland.*—There were about thirty vessels on loading turn at the various Forth coaling ports at mid-December. Some of the principal exports at the Port of Leith showed a decline during November, but those of iron and steel, paper, flour and meal were well maintained. Imports showed a considerable decrease in most cases, particularly as regards grain and wood.

*Glasgow.*—Coal carriers were only in limited demand in December and in the second half of the month business collapsed. Freights were very scarce owing to the tightness of coal supplies. Shippers were interested chiefly in the Baltic section and particularly in Danish ports, rates for which were very steady. Otherwise the market was steady with practically no change in rates.

### **Foodstuffs**

*Liverpool, grain.*—Conditions on the wheat market have been somewhat erratic. At times trading has been quite active, but in general the tone displayed has been dull and quiet, and price movements have been limited to small fluctua-

tions. The new Plata crop continues to be the chief factor in the market. The recent official report indicated that the crop will be inferior both in quality and quantity compared with last year. This, combined with the fact that Australia also has but a moderate crop, makes the statistical position undoubtedly bullish. Another factor operating in the same direction is the acute shortage of feeding grain in the United States, which is causing an important demand from that country for low-grade wheat. Despite these influences, demand remains apathetic and millers tend to buy on a hand-to-mouth basis. Trading in maize has been somewhat irregular. A sharp fall in prices was temporarily caused by the Argentine Government's announcement that the fixed minimum prices for cereals would not be raised, as had been expected. On the whole, however, a large business has been done in Plata maize and a good demand has been noticed. The market is considerably strengthened by the fact that the United States is an important buyer of the crop owing to the serious shortage of feeding stuffs. Offers from the Danube are increasing in volume, but loading is still unsatisfactory owing to the continued discussions regarding the final form of export regulations. Demand for home-milled flour has been generally quiet, and although an improvement has been noticed recently prices are unchanged. Imported flour is neglected.

*Liverpool, provisions.*—During the month Continental bacon has remained steady with little fluctuation in values, and American hams have been firm. The trade in lard has proved steady with prices firm and demand good. Butter supplies have remained heavy but an excellent consumptive demand continues to cope with all arrivals. Stocks are now decreasing and prospects indicate an advance in prices above the present low levels. A disappointing demand for New Zealand and Australian varieties of cheese has depressed prices by 8s. to 10s. per cwt. It is difficult to account for the low prices ruling, as available supplies tend to be smaller than last year. Canned meats and fruits have been in steady demand with no appreciable change in prices.

### Fishing

*Brixham.*—Sail trawling was handicapped by calm weather during part of November, and landings were 35 per cent.

below the previous month. Prices dropped slightly. Herrings were still scarce.

*Lowestoft.*—The total quantity of wet fish landed by British vessels in England and Wales during November was 82,000 tons, valued at £1,116,000. This was a decrease in quantity of 11,000 tons and in value of £98,000 as compared with November, 1933. The chief decrease was in the catch of herrings. The East Anglian fishery took a surprising turn for the better during November. There was a keen demand for fresh herrings from Germany and Poland, and it became evident that the quantity of herrings cured in barrels, which totalled 280,000 for the season, would be far short of the requirements of countries bordering on the Baltic. The prompt payment for supplies shipped to Altona (Hamburg) went far towards restoring confidence.

*Penzance.*—During the early part of November shoals of mixed fish (mackerel, pilchards and herrings) were located in the Eastern part of Mounts Bay and some good catches were made. Prices for mackerel ranged from 8s. to 3s., herrings from 11s. to 4s. per hundred; pilchards were 20s. per thousand. During the latter part of the month herrings were taken and prices were good around 10s. to 6s. 6d. per hundred.

*Scotland.*—Operations at the line fishing round the coast, particularly in the North of Scotland, have been hampered by bad weather conditions. Landings of white fish, which have been generally light, have met a good demand. Local herring curers, who took part in curing operations at East Anglia during the Autumn, have now disposed of practically their whole stocks and expect to show a profit for the season.

### Other Industries

*Carpet-making.*—Kidderminster reports that Axminster carpets both in piece goods and squares are in great demand and manufacturers have difficulty in keeping promises for delivery, owing to pressure from dealers to meet urgent orders. Chenille squares are also in demand. Trade in the cheaper qualities of Wiltons is not so good. Orders are still coming in very freely from Australia and New Zealand and business with Scandinavia is also very good. Raw materials show little change.

*Jewellery.*—Birmingham reports that good results are anticipated from the Christmas trade. There has been a brisk demand for fancy-wares.

*Paper-making and Printing.*—Conditions in the Edinburgh paper-making trade are unchanged and while short time is still being worked, some of the mills are moderately busy. The printing trade has shown a seasonal falling off and unemployment has increased slightly. Prospects, however, are hopeful.

*Pottery.*—Longton reports that unemployment figures show an encouraging improvement over those for 1933. There has been the usual seasonal reaction after the Christmas orders, but the general improvement is expected to be maintained in 1935.

*Timber.*—Hull reports that business is quiet. Importers are evidently waiting for news of the Russian negotiations with Timber Distributors. Forward operations are therefore likely to be delayed until well into 1935.

At Newport pitwood imports averaged 2,800 loads per week in November against 2,600 loads in October and 1,700 loads in November 1933. Other timber imports amounted to 1,634 loads in November.



## Overseas Reports

### Australia

*From the National Bank of Australasia Limited*

Seasonal conditions and pastoral prospects have much improved, but rain is still needed in the outlying parts of Western Australia and Queensland. The estimated wheat harvest is 130 million bushels. Butter production is large and increasing, and wool is selling freely, but export prices of most of the leading commodities are unremunerative. The principal industries and retail trades are better than in 1933, particularly the motor car trade. Exports for the four months ended October 31st were £25 millions, against £30 millions for the same period in 1933. Imports, on the other hand, have risen from £21 to £26 millions.

### Canada

Business conditions in early December were much better than they were a year before, and a good Christmas trade was then anticipated. The Dominion Bureau of Statistics index number of general business for December 1st was 95·3, against 82·4 on December 2nd, 1933. Most of the leading industries were making good progress. November output of newsprint was 240,869 tons, compared with 235,021 tons in October, and 193,718 tons in November, 1933. Mining remains very active, and lumber-men are preparing for a substantial cut during the current winter. Field crops for 1934 are valued officially at \$536 millions. This estimate compares with one of \$424 millions for 1933, and is the highest for any year since 1930. Wheat exports, however, are moving off very slowly, and elevator stocks are increasing.

### India

*Bombay.*—There was a gradual expansion in the raw cotton market during November with a large demand for ready stocks of old crops and heavy buying by Japanese spinners and shippers. Prices have shown considerable improvement. Large sales of cloth were made by Bombay mills at Divali, but the prices were not too satisfactory. Still, the piece-goods market generally has been fairly active. The slight reduction in

stocks and the approach of the cold season has created a brisk demand at firm prices for woollen goods and the heavier type of cloth. The Hindu New Year was celebrated in the second week of November, and gave rise to good all-round enquiry. It is estimated that 60,000 bales of piece-goods were sold by local mills during the first ten days of the month. Lancashire did not at first share in the demand, but enquiry developed later. In Japanese lines woollens kept pace with the market and good business was done. The undertone is healthy, but the market is fairly well stocked.

*Calcutta.*—The market in loose jute ruled firm and dearer throughout November and a fair business was done in both European and Indian packing at advancing rates. At the close the market was quiet and slightly easier. In sympathy with loose jute the baled jute section also advanced steadily, and sellers became reserved in their offerings. A fair business was done for near shipment. The market for teas with export rights remained steady with leaf grades very strong at the first three sales. At the last sale, however, prices fell back as much as they had previously risen. In the internal market the strong demand of the previous month continued for all grades. On November 30th the International Committee reduced the export quota from  $87\frac{1}{2}$  to  $82\frac{1}{2}$  per cent.

*Rangoon.*—With India the only buyer of rice, prices have gradually slipped back and business has become stagnant. The failure of a big firm of speculators to meet their obligations has continued to have a depressing effect. There has been rather more business in timber, but prices are keenly competitive. The reduced prices of hardware consequent on the valuation of import duties on November 1st have not so far stimulated demand, and selling rates are weak. Stocks are heavy in relation to current demand and there is little hope of improvement until the paddy crop has been reaped and marketed.

### Irish Free State

The latest report of the Department of Agriculture states that while reserves of hay and turnips are smaller than a year ago, farmers are well supplied with grain fodder and roots. Up to the end of November pastures continued to afford a reasonable quantity of keep for outlying stock.

Winter prospects were not unsatisfactory. The final wheat yield was above average and quality was good. The bulk of the millable wheat has been disposed of by growers at prices of 17s. to 17s. 6d. per barrel. The barley crop was average in size and of good quality. The balance of the potato crop was lifted and pitted before the end of November. Yield, though less than last year, was well above average. Fairs were well supplied with cattle. A new order by the Minister for Agriculture fixes the minimum price for fat bullocks and heifers at 25s. per cwt. for live weight (since reduced to 22s. per cwt. for export). Owing to previous forestalling of this order demand for cattle has lately fallen away. Markets were well supplied with sheep during November. Business was active, but prices were slightly lower. There has been a definite increase in breeding stocks of pigs.

## France

### *From Lloyds & National Provincial Foreign Bank Limited*

Gross railway receipts are still declining. The six principal companies report gross takings of Frs.9,825 millions for the first 47 weeks of 1934. This total represents a decline of Frs.477 millions, or 4.61 per cent. as compared with the same period of 1933. The cost of living index numbers continue their slight downward movement. The average retail price index number for the whole of France was 475 in 1933, taking 1914 as equivalent to 100. In 1934 the average index numbers were :—

1st quarter	..	..	478
2nd quarter	..	..	451
3rd quarter	..	..	445

In spite of an improvement in the general political situation in Europe and the rapidity with which the Budget was voted by the Chamber, the tone on the Stock Exchange is still unsettled. Rentes are, on the whole, steady, the general level being slightly higher than last month. Bank shares were only influenced to a small extent by the fact that the Banque de Paris et des Pays-Bas has passed its interim dividend, as this factor had been previously discounted. Copper shares were steady in expectation of an international agreement.

*Bordeaux.*—Quotations for fine wines continue firm, but business is still very quiet. The ordinary wine market is anxiously awaiting the result of discussions on the Governmental scheme for regulating production. Resin prices are firmer, as the crop is slightly less than had been expected, while there has been a small increase in exports.

*Le Havre.*—Coffee prices rose by Frs.7 per 50 kilos at the beginning of November, but liquidation of open positions at the end of the month has since weighed heavily on the market, and prices are now barely steady at Frs.147.50. Consumption is below normal for the time of year, due in part to the mildness of the season. In spite of a further improvement in the statistical position—Havre stocks are now 655,000 sacks as against 718,000 a month ago—and a resumption of cheap freights, 25s. a ton, South American Port to Le Havre until the end of January, 1935, the reduced demand from the interior and poor prospects for the near future have resulted in a heavy market.

Cotton prices have advanced slowly but steadily over the month, and there is a firm undertone. Demand from the mills, except for specialties and Brazilians, remains distinctly poor, and many contracts have been carried forward for delivery during distant months. Importers are awaiting definite news as to the American Government's plans for future control of the market. A further increase of 20 per cent. in American acreage for next season is foreshadowed.

*Lille.*—Prices of raw American cotton are firmer, but some doubt is felt in current prices of outside growths, as demand in primary markets is less than it was a year ago. Home business in yarns and cloth is very limited, and extended credit has to be allowed. The jute market is firm and prices are rising. Spinners, however, are not convinced of the permanence of the present world demand, and are refusing to buy ahead. Flax prices have again risen, and as spinners are unable to raise yarn prices in sympathy, the position of many mills is becoming critical. Unless conditions change, some mills may have to close down for a time.

*Marseilles.*—During the early part of November prices of ground-nuts fell appreciably, the market having been adversely affected by the forced sale of some 14,000 tons which a buyer had failed to take up. Towards the end of the month the

position improved and quotations are now firmer. Copra is firm in sympathy with the American market and the scarcity of offers. There is very little demand from local soap works. Olive oil prices have again fallen and the decline may not be at an end. The harvest both in France and her Colonies has been abundant but under present conditions growers are unable to cover the cost of production.

*Roubaix.*—The top market is fairly active and the undertone is firm. The combing mills in general are not working at more than 50 per cent. of capacity, but some improvement is looked for in the New Year if the political situation becomes more settled. Spinners have improved their position during the past month. There has been some demand for manufacturing yarns. The market for hosiery yarn is lagging somewhat, owing possibly to the mild weather. Very few spinners, however, are booked far ahead. The moderate improvement at the manufacturing end of the industry recorded last month is maintained. The published figures of stocks of tops in Roubaix-Tourcoing at the end of last month again showed a large decrease—nearly one million kilos. Stocks to-day are 13,339,000 kilos as compared with 15,432,000 kilos a year ago.

## Belgium

*From Lloyds & National Provincial Foreign Bank Limited*

*Brussels.*—The position of the iron and steel market shows little change, but the general outlook is considered satisfactory. Some revival is noticeable in business with the Far East, especially China, and following a reduction in prices a few orders have been taken for semi-finished articles for Japan. The proposed increase in freights as from February 1st will, it is feared, affect this branch of the export trade. The organisation of certain other foreign markets is now under discussion, and certain details have aroused differences of opinion. Steel production for November amounted to 248,108 tons against 252,487 tons in October. The coal trade is unsettled by the uncertainty regarding details of the new policy, which have still to be announced. Consumption of house coal has been reduced by the mild weather, and stocks are increasing. Business in industrial coal remains very limited.



*Antwerp.*—In the Antwerp produce markets, coffee, rubber, and cotton prices have been easier, but cereals, sugar, and vegetable oils have been very firm. In spite of these better tendencies business has been very limited owing to exchange restrictions. Chemicals are quiet and the price of wool tops is extremely low with very little business. The diamond market is stationary with little change in prices.

### Germany

Production has been well maintained. The index of industrial production of the Institut für Konjunkturforschung for October was 86.3 (1928 = 100), compared with 86.0 in September and 71.9 in October, 1933. Unemployment increased from 2,267,700 at the end of October to 2,353,600 at the end of November, but this increase is largely seasonal. Car-loadings increased during the first three weeks of November, but declined during the fortnight ended December 8th. Production of pig-iron declined by 13,329 tons during November. Both imports and exports declined in November and the export surplus was reduced from Rm.17 millions in October to Rm.10 millions in November. Quotations for industrial securities tended to decline. Wholesale prices have remained practically unchanged.

### Holland

After fairly easy negotiations a new clearing agreement has been reached with Germany. The new agreement accelerates the settlement of claims which fell due prior to September 24th, the date upon which the first clearing agreement came into operation, for in future 18 per cent.—instead of 10 per cent.—of the amounts paid into the clearing bank will be reserved for these claims. It will still take some two to three years before the settlement is completed even if trade with Germany remains at its present level. In addition, the amount in guilders which the Reichsbank is to receive in any case has been reduced from 7 to 4 per cent. A very unfavourable feature for Holland is the fact that transit trade is entirely excluded from the clearing arrangements. In this respect the agreement is no more favourable than that signed between Great Britain and Germany on November 1st; that is to say, it is only agreed that Germany shall take no measures



to reduce the amount of goods imported through Dutch middlemen. It still remains to be seen whether it will be possible for both Holland and Germany to keep to this arrangement. Germany is highly interested in the importation of raw materials, quite irrespective of what country may finance these imports through the entrepôt trade; and many concerns in Holland are dependent on this entrepôt trade. The clearing agreement runs for a period of two years, subject to three months' notice of termination, unless important economic changes should occur, in which case the period of notice is fourteen days. So far, developments under the agreement have not been favourable, as according to the returns so far available there will be barely enough cash available for Holland's account to meet new claims alone.

Unemployment has increased under seasonal influences to about 350,000, which is some 28,000 more than a year ago. Shipping continues in a poor condition and little is expected from the international conference to be held in London early in 1935. Receipts from Dutch East Indian plantations show an improving tendency, especially in rubber and tobacco, but sugar prospects are still poor. During the first ten months of the year 1934 imports declined by 900,000 tons, while exports increased by 450,000 tons. Unfortunately the value of exports declined, but owing to a greater fall in the value of imports the adverse trade balance has shrunk from Fl.383 to Fl.282 millions.

### Norway

Latest reports are somewhat conflicting in character. Imports fell from Kr.67·3 millions in October to Kr.63·2 millions in November, against Kr.58·7 millions in November, 1933. Exports for November were Kr.50·7 millions, or again less than the Kr.53·1 millions returned in October, and they were also below the exports of Kr.52·3 millions for November, 1933. Imports for the first eleven months of 1934 were Kr.671·1 millions, and exports Kr.523·6 millions, leaving an adverse balance of Kr.147·5 millions. For the same period in 1933 imports amounted to Kr.612·0 millions and exports to Kr.507·6 millions, the adverse trade balance being Kr.104·4 millions.

Against the slight set-back in foreign trade there was a marked decrease during November in the volume of idle

tonnage. On November 1st 69 vessels totalling 309,640 tons d.w. were laid up, while a month later only 55 vessels of 200,765 tons d.w. were laid up. On December 1st, 1933, as many as 117 vessels of 575,210 tons d.w. were laid up, so that the year has witnessed a substantial improvement. Only 3.8 per cent. of Norway's foreign-going fleet is now lying idle.

The number of registered unemployed rose from 38,528 in October to 39,670 in November. This is a smaller increase than was recorded a year ago, when the total rose from 35,223 to 39,723. Wholesale prices fell from 127 on October 15th to 126 on November 15th (1913 = 100). The cost-of-living index remained steady at 149 (July, 1914 = 100). The October index number of industrial production, the latest figure available, was 109, against 112 in September, and 105 in October, 1933. For this last figure the beginning of 1933 is taken as 100. The Government 1927 5 per cent. loan has been successfully replaced by a new 4 per cent. loan subscribed by a group of banks, savings banks, and insurance companies. The subscription price of the new loan has not been disclosed.

### Sweden

Until the beginning of December shipments of wood goods continued active, but they have since fallen away. Orders for 1935 delivery are only coming in slowly owing mainly to the fact that no agreement has yet been reached between Great Britain and Russia for 1935 deliveries. Denmark and Germany, on the other hand, are displaying considerable interest in early supplies. The final results of sales for 1934 are estimated at 900,000 standards. Paper pulp has been somewhat firmer during the last few weeks, especially in the American market. Sulphite pulp prices, however, are unchanged and wet mechanical pulp continues dull. The position in the paper industry generally shows little change. Prices are low, competition is keen and buyers are uninterested. The iron market continues good but there are fears of a dispute arising in the engineering industry. Iron exports for the first ten months of 1934 amounted to 208,400 tons (excluding scrap) against 175,300 tons for the corresponding period of 1933. Iron imports have been substantially heavier at 328,000 tons, compared with only 171,100 tons in 1933. In the engineering industry many of the leading industries record very good export figures, particu-

larly in the case of manufacturers of ball-bearings, motor engines and telephones. Up to the end of November iron-ore exports amounted to 6,198,000 tons against only 2,881,000 tons during the corresponding part of 1933.

### Denmark

The Import Regulation Act has been renewed until the end of 1935. It was generally agreed that its abrogation was impossible, as it formed the background for numerous commercial treaties with foreign countries, but the free list has been extended to include feeding-stuffs, raw tobacco, coffee and certain other commodities. In case of emergency these additions to the free list can be temporarily withdrawn by a majority decision of the Exchange Committee.

The general anticipation of an impending conversion operation has led to a strengthening of all bonds with a nominal yield of  $3\frac{1}{2}$  and 4 per cent. The  $3\frac{1}{2}$  per cent. State bonds, which are not liable to redemption through a sinking fund, are proving particularly attractive to investors.

Notwithstanding the activity in the building trades, unemployment is increasing. The latest returns give figures of 92,807 for insured workers and 17,786 for uninsured workers, or a total of 110,593. Unemployment among insured workers, however, is 17,807 less than a year ago. The rising trend of the population, the rationalisation of agriculture and the cessation of emigration largely account for the present high level of unemployment, and any real improvement appears improbable.

During November the average price-level of export goods rose from 122 to 129. The low point of 90 was touched last April, and the latest figure is the highest since March, 1930. The average price of raw materials needed for agriculture only rose during November from 93 to 101, so that the position of farmers is much improved. Imports for November totalled Kr.123.8 millions, and exports amounted to Kr.107.9 millions. The import surplus for the first eleven months of the year is Kr.121.9 millions against a corresponding surplus of only Kr.44.9 millions in 1933. This big increase in the import surplus, due largely to the importation of building materials, accounts for the strain that still exists on Denmark's foreign exchange situation.

The Danish-English Society has been investigating the foreign trade of the two countries over the past six years. The results show that Denmark is the only country which bought more from England in 1934 than in 1929. The increase in Danish imports is estimated at 22.4 per cent., i.e., from £10.7 to £13.1 millions. Conversely British imports from Denmark have fallen between 1929 and 1934 from £52.2 to £33.0 millions, or by 40 per cent. It is hoped that in view of Denmark's desire to substitute imports from England for imports from other countries, England will not further reduce her imports of Danish agricultural produce.

### Switzerland

#### *From Lloyds & National Provincial Foreign Bank Limited*

Exports during November increased by Frs.4.7 millions and imports decreased by Frs.6.6 millions, so that the adverse trade balance is now reduced to Frs.535 millions, as against Frs.665 millions in 1933. There has recently been a popular referendum in the Canton of Geneva on the question of the additional taxation proposed by the Socialists. The proposal was defeated by over 10,000 votes. Drastic economies in the cantonal finances are being insisted upon, as a result of which it is hoped to realise expenditure by at least Frs.4,500,000. In recent discussions in the Federal Parliament, the need of Switzerland adhering to the gold standard has again been emphasised. It is realised, however, that this will necessitate a considerable deflation of prices. The December snow-fall was hardly adequate, and at the opening of the season prospects for the hotel industry did not appear too hopeful.

### Spain

Exports to the end of October totalled 480 million gold pesetas and imports 684 million gold pesetas, as compared with exports of 526 millions and imports of 678 millions during the corresponding period in 1933. October was the first month in 1934 to show an increase in exports over the corresponding month for the previous year.

Commercial Agreements have recently been negotiated with Holland and Poland. By the former Spain retains an important market for her fruit, wines, ore and potash in return

for concessions to the Dutch dairy industry. The Agreement with Poland, on the other hand, offers a prospect of a new market for Spanish produce, in that the tariff reductions and quotas granted by Poland will enable Spain to compete actively in Polish markets, thus correcting her present unfavourable balance of trade of about 9 million pesetas.

The orange export season has opened favourably with an excellent crop and a good demand at satisfactory prices. The early estimates of a poor olive crop are now being confirmed and prices of olive oil remain steady.

The recent issue of 300 million pesetas  $4\frac{1}{2}$  per cent. Treasury Bonds was heavily over-subscribed. In view of the more favourable political outlook the Finance Minister has announced his intention of converting a part of the Government debt during 1935, instead of levying a tax on the interest as had been originally proposed.

## Morocco

### *From the Bank of British West Africa Limited*

Business conditions during the past month have been quiet, owing to the low prices now being offered for agricultural produce. Excellent rainfall is reported from all districts. The State Bank reduced its discount rate to  $3\frac{1}{4}$  per cent. on December 11th. Remittances through the Franco-German clearing are beginning to come through to Morocco. It is anticipated that about 40 million francs will be required to balance the French Protectorate Budget for 1935, of which over 28 million francs is to be derived from increased Customs Duties. Recent legislation prohibits the entry into French Morocco of any person seeking any employment, paid or unpaid, without a special permit.

## The United States

The chief event of early December was the outstanding success of the Government's financing operation. This took two main forms, namely, the offering for cash of \$450 millions of  $1\frac{1}{2}$  per cent. 18 months' Treasury notes and \$450 millions  $3\frac{1}{2}$  per cent. 15-18 year Treasury bonds; and a conversion offer to holders of nearly \$1,000 millions of maturing certificates of indebtedness to take up either the  $1\frac{1}{2}$  per cent. notes,



or  $2\frac{1}{2}$  per cent. notes repayable in  $4\frac{1}{2}$  years. The cash applications for the \$900 millions of notes and bonds amounted to \$5,400 million, while the conversion offer was closed within a few days. This success contrasts with the result of the previous conversion offer in September, when only 80 per cent. of the maturing securities were converted.

For some weeks past there has been a growing belief that the Administration is likely to pursue less radical ideas in the future, and the success of these operations is indicative of the spread of this belief. On the other hand, there are fresh rumours from Washington pointing directly to new plans of "spending for prosperity." Against this criticism of indiscriminate spending is becoming more vocal. At a recent congress held under the auspices of the National Association of Manufacturers, the need for a truly balanced budget was stressed, and it was also emphasised that if a programme of public works was the proper cure for the depression, the wages paid in connection with these works should not be so high as to entice workers away from other employment.

Recent business statistics point to a slow but sustained movement in the direction of recovery. The automobile industry, however, remains sluggish, for while dealers' sales are excellent, work on new models is only proceeding slowly. The steel industry is becoming more active. November daily output of pig-iron was 31,898 tons, against 30,679 tons in October. Steel production from 1,461,932 tons in October to 1,589,049 tons in November, or from 54,146 tons to 61,117 tons a day. On this basis the industry worked at 24.59 per cent. of capacity in October and at 27.76 per cent. of capacity in November, rising to 29 per cent. in early December. United States Steel Corporation shipments of finished steel rose from 343,962 tons in October to 366,119 tons in November.

Wholesale business in consumable goods remains steady, and retailers state that sales are better than for several years past. To finance unemployment relief, New York City has imposed a 2 per cent. sales tax, as from December 10th. All articles costing less than 13 cents are exempt.

The sugar market is dull, and refiners have again reduced their prices to \$4.40 per 100 lbs., of which the refiner receives \$3.77 $\frac{1}{2}$  after paying processing tax and allowing a 2 per cent. cash discount. Home enquiry for copper has been well maintained, and a reduction in the price for shipments to Europe



to 6.80 cents per lb. has attracted a number of substantial orders. The tea market has been irregular, but tin-plate manufacture has been raised from 35 to 45 per cent. of capacity. Lead prices were reduced from 3.60 cents to 3.50 cents per lb. in the middle of November, but this only stimulated a temporary improvement in business.

Cotton exports for the season up to December 7th amounted to 2,036,103 bales, against 3,583,480 bales for the same portion of the 1933-34 season. The futures market has been dull. Apparently some 600,000 small farms, each producing less than two bales per season, may be exempted next year from the quota regulations under the Bankhead Act, but otherwise no relaxation of the restrictions upon production is at present anticipated.

### Japan

Exports for the first eleven months of 1934 are returned at Yen 1,963 millions, and imports at Yen 2,029 millions. Compared with 1933 exports have risen in value by 16 per cent. and imports by 17 per cent. The adverse trade balance is Yen 66 millions, or 54 per cent. greater than in 1933. Raw silk exports have been disappointing this year, but exports of manufactured goods have increased, notwithstanding import and other restrictions imposed by foreign countries. As regards the direction of Japan's export trade, shipments to the Central States have been poor, but business with Manchoukuo, the South Sea Islands, British India, South Africa and Central and South America shows a remarkable increase. The rise in imports is mainly due to increased purchases of industrial raw materials. Trade with China has lately improved, following the cessation of the boycott against Japanese goods and the lowering of tariffs. Produce markets and industrial enterprise remain active, and leading companies are recording better financial results. The purchasing power of the rural districts remains depressed by the current low prices of cocoons and by poor crop results in the North-East of Japan, but the outlook is thought to be fairly satisfactory.

## Statistics

### BANK OF ENGLAND

#### Issue Department

	Note Circulation.	Govt. Debt.	Other Govt. Securities.	Other Securities.	Silver Coin.	Fiduciary Issues.	Gold.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1929	361·8	11·0	235·2	9·0	4·8	260·0	153·3
" " 1930	352·3	11·0	233·0	11·5	4·5	260·0	155·1
" " 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
" " 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
" " 1933	367·1	11·0	249·9	10·5	3·6	275·0	171·8
" " 1934	378·8	11·0	245·4	0·1	3·5	260·0	191·1
Dec. 19, 1934	402·0	11·0	245·5	0·9	2·6	260·0	192·2
Dec. 26, 1934	405·2	11·0	245·6	1·0	2·4	260·0	192·3

#### Banking Department

	Public Deposits.	Bankers' Deposits.	Other Deposits.	Govt. Secur- ities.	Discounts and Advances.	Other Secur- ities.	Reserve.	Proportion.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1929	19·7	58·2	36·4	50·6	13·0	17·1	51·9	45·4
" " 1930	18·8	54·9	35·9	44·8	6·1	13·3	63·7	58·1
" " 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
" " 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
" " 1933	21·2	92·8	35·0	57·7	11·8	17·2	80·6	54·0
" " 1934	17·5	94·5	36·9	77·1	5·6	11·0	73·4	49·2
Dec. 19, 1934	8·4	90·7	37·0	83·8	7·0	12·4	50·8	37·3
Dec. 26, 1934	9·9	89·1	36·4	87·5	7·6	10·7	47·6	35·1

#### LONDON CLEARING BANKS (monthly averages)

	Deposits.	Acceptances, Guarantees, etc.	Cash.	Balances and Cheques.	Call Money.	Bills.	Investments.	Advances.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1925	1,643·5	113·9	190·2	51·1	111·7	205·1	299·4	857·1
" 1929	1,776·6	222·1	187·8	52·7	136·1	216·6	258·9	995·9
" 1930	1,719·3	159·3	184·4	51·3	134·7	183·6	240·4	990·8
" 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
" 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
" 1933	1,925·2	95·8	207·0	40·1	108·7	348·1	510·2	766·2
" 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
Oct., 1934	1,890·8	117·7	213·3	48·1	135·8	216·0	575·5	755·6
Nov., 1934	1,911·1	122·2	209·7	43·7	134·6	232·5	589·3	755·4

## LONDON BANKERS' CLEARING HOUSE RETURNS

			Town Clearing.	Metropolitan Clearing.	Country Clearing.	Total.
			£ mn.	£ mn.	£ mn.	£ mn.
1925	...	...	35,801	1,678	2,958	40,437
1929	...	...	39,936	1,882	3,079	44,897
1930	...	...	38,782	1,812	2,964	43,558
1931	...	...	31,816	1,668	2,752	36,236
1932	...	...	27,834	1,610	2,668	32,112
1933	...	...	27,715	1,657	2,766	32,138
1933 to Dec. 25	...	...	27,388	1,641	2,736	31,765
1934 to Dec. 26	...	...	30,266	1,735	2,943	34,944
1933—December (4 weeks)			2,115	128	211	2,454
1934—December (4 weeks)			2,276	135	224	2,635

## BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1925.	Mar., 1929.	Mar., 1931.	Mar., 1932.	Mar., 1933.	Mar., 1934.	Oct., 1934.	Nov., 1934.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham ...	11·3	11·9	9·5	9·0	9·7	11·3	9·7	9·9
Bradford ...	—	5·9	3·3	3·4	3·3	4·2	3·7	3·6
Bristol ...	5·1	5·3	6·0	4·9	5·0	5·4	5·8	5·2
Hull ...	4·8	4·0	3·1	3·0	3·2	3·2	3·1	3·1
Leeds...	4·5	4·4	3·5	3·8	3·8	4·4	3·8	3·7
Leicester ...	3·6	3·6	2·9	3·1	3·1	3·3	2·9	2·7
Liverpool ...	42·5	34·2	24·7	25·6	25·6	26·8	28·9	27·8
Manchester ...	77·4	58·0	41·9	42·5	42·1	46·1	45·7	42·9
Newcastle-on-Tyne...	7·8	6·5	6·0	5·7	6·5	6·9	6·4	6·4
Nottingham ...	2·3	2·8	1·9	1·9	1·9	2·0	2·0	1·9
Sheffield ...	5·0	4·6	3·5	3·3	3·5	3·6	3·8	3·8
	164·3	141·2	106·3	106·2	107·7	117·2	115·8	111·0

## LONDON AND NEW YORK MONEY RATES

	LONDON.					New York.		
	Bank Rate.	Treasury Bills.		3 Months' Bank Bills.	Short Loans.	F.R.B. Re-discount Rate.	Call Money.	Acceptances.
		Tender Rate.	Market Rate.					
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March, 1925	5	4 $\frac{1}{2}$	—	4 $\frac{1}{2}$ -4 $\frac{1}{2}$	3 $\frac{1}{2}$ -4 $\frac{1}{2}$	3 $\frac{1}{2}$	3 $\frac{1}{2}$	3 $\frac{1}{2}$
" " 1929	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5 $\frac{1}{2}$ -5 $\frac{1}{2}$	4 $\frac{1}{2}$ -4 $\frac{1}{2}$	5	15	5 $\frac{1}{2}$
" " 1930	3 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	3 $\frac{1}{2}$	3 $\frac{1}{2}$	2 $\frac{1}{2}$
" " 1931	3	2 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	2-2 $\frac{1}{2}$	2	1 $\frac{1}{2}$	1 $\frac{1}{2}$
" " 1932	3 $\frac{1}{2}$	2 $\frac{1}{2}$	1 $\frac{1}{2}$	2 $\frac{1}{2}$ -2 $\frac{1}{2}$	2-3	3	2 $\frac{1}{2}$	2 $\frac{1}{2}$
" " 1933	2	1 $\frac{1}{2}$	1 $\frac{1}{2}$ -1 $\frac{1}{2}$	1 $\frac{1}{2}$	1-1	3 $\frac{1}{2}$	3	2 $\frac{1}{2}$
" " 1934	2	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1-1	1 $\frac{1}{2}$	1	1 $\frac{1}{2}$
Nov. 28th, 1934	2	1 $\frac{1}{2}$	1 $\frac{1}{2}$ -1 $\frac{1}{2}$	1 $\frac{1}{2}$ -1 $\frac{1}{2}$	1-1	1 $\frac{1}{2}$	1	1 $\frac{1}{2}$
Dec. 27th, 1934	2	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$ -1 $\frac{1}{2}$	1-1	1 $\frac{1}{2}$	1	1 $\frac{1}{2}$

## FOREIGN EXCHANGES

London on	Parity (prior to Sept. 21, 1931).	1932.	1933.	1934			
		Dec. 21.	Dec. 20.	Nov. 28.	Dec. 5.	Dec. 12.	Dec. 19.
New York—							
(a) Spot ...	\$4.866	3.33 $\frac{1}{2}$	5.08 $\frac{1}{2}$	4.98 $\frac{1}{2}$	4.94 $\frac{1}{2}$	4.94 $\frac{1}{2}$	4.94 $\frac{1}{2}$
(b) 3 Months ...	—	$\frac{1}{2}$ c. dis.	7c. dis.	$\frac{1}{2}$ c. dis.	$\frac{1}{2}$ c. dis.	$\frac{1}{2}$ c. dis.	$\frac{1}{2}$ c. dis.
Montreal ...	\$4.866	3.84	5.07 $\frac{1}{2}$	4.86 $\frac{1}{2}$	4.84 $\frac{1}{2}$	4.88	4.89 $\frac{1}{2}$
Paris—							
(a) Spot ...	Fr. 124.21	85 $\frac{1}{2}$	83 $\frac{3}{4}$	75 $\frac{3}{4}$	75 $\frac{3}{4}$	75 $\frac{1}{2}$	74 $\frac{1}{2}$
(b) 3 Months ...	—	7c. dis.	35c. dis.	9c. dis.	4 $\frac{1}{2}$ c. dis.	7c. dis.	10 $\frac{1}{2}$ c. dis.
Berlin—							
(a) Official ...	Mk. 20.43	14.00 $\frac{1}{2}$	13.76 $\frac{1}{2}$	12.41	12.31	12.32	12.29
(b) Registered Marks...	—	—	17 $\frac{1}{2}$ % dis.	43 $\frac{1}{2}$ % dis.	42 $\frac{1}{2}$ % dis.	40% dis.	39% dis.
Amsterdam ...	Fl. 12.11	8.31 $\frac{1}{2}$	8.18	7.38	7.31 $\frac{1}{2}$	7.31 $\frac{1}{2}$	7.30 $\frac{1}{2}$
Brussels ...	Bel. 35	24.12	23.61	21.38	21.17	21.20	21.10
Milan ...	Li. 92.46	65 $\frac{1}{2}$	62 $\frac{1}{2}$	58 $\frac{1}{2}$	58 $\frac{1}{2}$	57 $\frac{1}{2}$	57 $\frac{3}{4}$
Berne ...	Fr. 25.22 $\frac{1}{2}$	17.33 $\frac{1}{2}$	17.00	15.38	15.27	15.27 $\frac{1}{2}$	15.24
Stockholm ...	Kr. 18.16	18.32 $\frac{1}{2}$	19.39	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$	19.39 $\frac{1}{2}$
Madrid ...	Ptas. 25.22 $\frac{1}{2}$	40 $\frac{1}{2}$	40 $\frac{1}{2}$	36 $\frac{1}{2}$	36 $\frac{1}{2}$	36 $\frac{1}{2}$	36 $\frac{1}{2}$
Vienna ...	Sch. 34.58 $\frac{1}{2}$	28 $\frac{1}{2}$	29 $\frac{1}{2}$	27*	27*	26 $\frac{1}{2}$ *	26 $\frac{1}{2}$ *
Prague ...	Kr. 164 $\frac{1}{2}$	112 $\frac{1}{2}$	110 $\frac{1}{2}$	119 $\frac{1}{2}$	118 $\frac{1}{2}$	118 $\frac{1}{2}$	118 $\frac{1}{2}$
Buenos Aires...	47.62d.	42 $\frac{1}{2}$	35 $\frac{1}{2}$	36 $\frac{1}{2}$	36 $\frac{1}{2}$	36 $\frac{1}{2}$	36 $\frac{1}{2}$
Rio de Janeiro	5.89d.	5 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$	4 $\frac{1}{2}$
Valparaiso ...	Pes. 40	55 $\frac{1}{2}$	54.10 $\frac{1}{2}$	48.80 $\frac{1}{2}$	48.40 $\frac{1}{2}$	48.45 $\frac{1}{2}$	48.30 $\frac{1}{2}$
Bombay ...	18d.	18 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.
Hong Kong ...	—d.	15 $\frac{1}{2}$ d.	17 $\frac{1}{2}$ d.	20 $\frac{1}{2}$ d.	20 $\frac{1}{2}$ d.	20 $\frac{1}{2}$ d.	20 $\frac{1}{2}$ d.
Kobe ...	24.57d.	1/3 $\frac{1}{2}$	1/2 $\frac{1}{2}$	1/2	1/2 $\frac{1}{2}$	1/2	1/2
Shanghai ...	—d.	20 $\frac{1}{2}$ d.	15 $\frac{1}{2}$ d.	16 $\frac{1}{2}$ d.	16 $\frac{1}{2}$ d.	16 $\frac{1}{2}$ d.	16 $\frac{1}{2}$ d.
Gold price ...	per oz.	123s. 5d.	126s. 9d.	139s. 7 $\frac{1}{2}$ d.	140s. 11d.	140s. 5d.	140s. 9 $\frac{1}{2}$ d.
Silver price ...	per oz.	16 $\frac{1}{2}$ d.	18 $\frac{1}{2}$ d.	24 $\frac{1}{2}$ d.	24 $\frac{1}{2}$ d.	24 $\frac{1}{2}$ d.	24 $\frac{1}{2}$ d.

\* Nominal. † Official Rate. ‡ Kr.197.10, since devaluation of Kroner on February 17th, 1934.

§ Per tael; 1933 and 1934 rates represent pence per dollar.

## PUBLIC REVENUE AND EXPENDITURE

	1930-31.	1931-32.	1932-33.	1933-34.	1933 to Dec. 31.	1934 to Dec. 31.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
<b>REVENUE—</b>						
Income Tax ... ..	256.0	287.4	251.5	228.9	66.7	75.4
Sur-Tax ... ..	67.8	76.7	60.7	52.6	12.6	11.7
Estate Duties ... ..	82.6	65.0	77.1	85.3	67.0	59.5
Stamps ... ..	20.7	17.1	19.2	22.7	14.2	14.9
Customs ... ..	121.4	136.2	167.2	179.2	134.3	140.4
Excise ... ..	124.0	119.9	120.9	107.0	83.3	81.2
Motor Vehicle Duties (Exchequer Share) ...	4.9	5.0	5.0	5.2	1.9	2.0
Other Tax Revenue ...	3.9	3.2	3.1	2.6	0.2	0.2
<b>Total Tax Revenue ...</b>	<b>681.3</b>	<b>710.5</b>	<b>704.7</b>	<b>683.5</b>	<b>380.2</b>	<b>385.3</b>
Post Office ... ..	10.1	11.5	10.9	13.1	12.2	11.3
Crown Lands... ..	1.3	1.3	1.2	1.2	0.9	1.0
Receipts from Sundry Loans	32.9	13.8	5.1	4.7	3.7	3.3
Miscellaneous Receipts	50.3*	33.9*	22.9	22.1	19.3	12.4
<b>Total Non-tax Revenue ...</b>	<b>94.6</b>	<b>60.5</b>	<b>40.1</b>	<b>41.1</b>	<b>36.1</b>	<b>28.0</b>
<b>Total Ordinary Revenue ...</b>	<b>775.9</b>	<b>771.0</b>	<b>744.8</b>	<b>724.6</b>	<b>416.3</b>	<b>413.3</b>
Post Office ... ..	59.0	58.0	59.3	59.3	42.2	44.0
Road Fund ... ..	22.9	22.5	22.9	25.5	9.6	10.5
<b>Total Self-balancing Revenue...</b>	<b>81.9</b>	<b>80.5</b>	<b>82.2</b>	<b>84.8</b>	<b>51.8</b>	<b>54.5</b>
<b>EXPENDITURE—</b>						
National Debt Interest ...	293.2	289.5	262.3	212.9	180.2	180.5
Payments to N. Ireland ...	6.4	6.3	7.0	6.6	4.2	4.0
Other Cons. Fund Services...	2.9	3.1	3.3	4.1	2.6	2.5
Post Office Fund ... ..	—	—	—	—	—	2.3
Supply Services ... ..	429.8	439.2	458.3	458.8	324.1	334.4
<b>Total Ordinary Expenditure ...</b>	<b>732.3</b>	<b>738.1</b>	<b>730.9</b>	<b>682.4</b>	<b>511.1</b>	<b>523.7</b>
Sinking Fund ... ..	66.8	32.5	17.2	7.7	4.7	5.4
Payments to U.S. Govt. ...	†	†	29.0	3.3	3.3	—
<b>Self-balancing Expenditure (As per contra) ... ..</b>	<b>81.9</b>	<b>80.5</b>	<b>82.2</b>	<b>84.8</b>	<b>51.8</b>	<b>54.5</b>

\* Includes Appropriation from Rating Relief Suspense Account.

† Included under National Debt Interest.

## PRODUCTION

				Coal.	Pig-Iron.	Steel.
				Tons mill.	Tons thous.	Tons thous.
Total 1913	...	...	...	287.4	10,260	7,664
" 1925	...	...	...	243.2	6,262	7,385
" 1929	...	...	...	257.9	7,589	9,636
" 1930	...	...	...	243.9	6,192	7,326
" 1931	...	...	...	219.5	3,773	5,203
" 1932	...	...	...	208.7	3,574	5,261
" 1933	...	...	...	207.0	4,124	7,003
Total to November, 1933	...			188.3	3,714	6,334
Total to November, 1934	...			202.3	5,465	8,205

BOARD OF TRADE PRODUCTION INDEX NUMBER  
(1924 = 100)

	Complete Year.			1933.		1934.		
	1931.	1932.	1933.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.
Mines and Quarries...	81.6	77.5	76.9	70.2	82.8	89.0	78.8	76.9
Iron and Steel ...	65.9	66.2	82.2	84.2	93.7	104.7	104.3	98.2
Non-Ferrous Metals	100.1	96.3	101.9	100.3	120.7	117.1	142.1	151.0
Engineering and Ship-building ...	94.9	88.6	96.0	93.5	95.8	108.1	111.8	110.7
Textiles ...	77.0	85.1	89.8	88.8	95.9	96.3	91.0	85.9
Chemicals ...	95.2	98.1	101.0	99.8	102.9	107.9	107.3	103.9
Leather and Boots ...	99.3	96.4	106.2	105.5	101.7	110.7	108.1	99.0
Food, Drink and Tobacco ...	103.7	97.6	99.2	103.6	102.7	99.7	117.7	104.8
Total* ...	93.7	93.3	98.6	96.8	104.0	109.5	109.7	105.3

\* Includes paper and printing, gas and electricity, rubber, cement and tiles.



## UNEMPLOYMENT

## (a) Percentage of Insured Workers

Date.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
End of—							
January ... ..	10.7	12.3	12.4	21.5	22.4	23.1	18.6
February ... ..	10.4	12.1	12.9	21.7	22.0	22.8	18.1
March ... ..	9.5	10.0	13.7	21.5	20.8	21.9	17.2
April ... ..	9.5	9.8	14.2	20.9	21.4	21.3	16.6
May ... ..	9.8	9.7	15.0	20.8	22.1	20.4	16.2
June ... ..	10.7	9.6	15.4	21.2	22.2	19.4	16.4
July ... ..	11.6	9.7	16.7	22.0	22.8	19.5	16.7
August ... ..	11.6	9.9	17.1	22.0	23.0	19.1	16.5
September ... ..	11.4	10.0	17.6	22.6	22.8	18.4	16.1
October ... ..	11.8	10.3	18.7	21.9	21.9	18.1	16.4
November ... ..	12.2	10.9	19.1	21.4	22.2	17.9	16.4
December ... ..	11.2	11.0	20.2	20.9	21.7	17.5	

## (b) Actual Numbers Unemployed (in thousands)

	Mar., 1929.	Mar., 1931.	Mar., 1932.	Mar., 1933.	Nov., 1933.	Mar., 1934.	Oct., 1934.	Nov., 1934.
Number of Insured Persons unem- ployed—								
Wholly unemployed	920	1,933	2,129	2,205	1,879	1,814	1,688	1,724
Temporarily stopped	200	613	427	511	344	317	343	314
Normally in casual employment ...	84	120	104	105	86	94	88	84
Total ... ..	1,204	2,666	2,660	2,821	2,309	2,225	2,119	2,122

## RAILWAY TRAFFIC RECEIPTS

	Four Weeks Ended				Aggregate for 51 Weeks.			
	Dec. 24, 1933.		Dec. 23, 1934.		1933.		1934.	
	Pas- sengers.	Goods.	Pas- sengers.	Goods.	Pas- sengers.	Goods.	Pas- sengers.	Goods.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	0.8	1.2	0.8	1.2	10.3	13.7	10.3	14.3
London & North Eastern* ... ..	1.2	2.4	1.2	2.5	15.5	26.1	15.7	27.9
London Midland & Scottish ... ..	1.8	3.0	1.8	3.0	23.9	32.8	24.3	34.6
Southern ... ..	1.1	0.4	1.1	0.4	14.6	4.7	14.8	4.8
Total ... ..	4.9	7.0	4.9	7.1	64.3	77.3	65.1	81.6

\* The London & North Eastern Railway Returns are made up to a day earlier each week than the other lines.

## RETAIL TRADE

*(from the Board of Trade Journal)*

Change in value since same date in previous year

	Nov., 1931.	Nov., 1932.	Nov., 1933.	Oct., 1934.	Nov., 1934.
By CATEGORIES: Great Britain	%	%	%	%	%
Total ... ..	- 7.0	-1.9	+2.8	+3.2	+3.9
Food and Perishables ... ..	- 5.9	-3.0	+1.5	+2.8	+3.6
Other Merchandise of which					
Piece-goods* ... ..	- 4.6	-6.4	-0.1	-2.7	-1.0
(i) Household Goods ... ..	—	—	+0.9	-1.2	-0.4
(ii) Dress Materials ... ..	—	—	-0.7	-3.3	-1.8
Women's Wear* ... ..	-10.8	+1.5	+5.7	+2.9	+3.9
(i) Fashion Departments ... ..	- 9.8	+2.3	+8.9	+5.4	+4.8
(ii) Girls' & Children's Wear	-12.1	+0.8	+3.2	-2.3	+2.4
(iii) Fancy Drapery ... ..	-11.0	+0.7	+3.8	+1.4	+3.8
Men's & Boys' Wear ... ..	- 8.8	-1.1	+5.9	+4.3	+5.3
Boots and Shoes ... ..	- 7.7	-7.1	+1.9	+9.2	+6.5
Furnishing Departments ... ..	- 1.9	+1.5	+4.6	+4.3	+5.7
Hardware ... ..	+ 0.1	+4.0	+6.3	+3.7	+0.2
Fancy Goods ... ..	- 8.2	+3.3	+4.1	+2.1	+3.6
Sports and Travel ... ..	- 7.0	-0.1	-1.3	+1.6	+0.7
Miscellaneous and Unallocated	-11.7	-0.8	+0.1	+5.2	+5.9
By AREAS—					
All Categories—					
Scotland ... ..	- 6.0	-6.3	+2.6	+3.9	+5.7
Wales & North of England...	- 7.1	-4.5	+1.3	+3.0	+4.0
South of England ... ..	- 5.7	-1.0	+4.0	+2.8	+4.1
London, Central & West End	- 8.8	+3.2	+3.4	+2.9	+1.9
London, Suburban ... ..	- 8.0	+1.7	+3.2	+4.6	+4.2

\* Including some goods which cannot be allocated to sub-headings.

## OVERSEAS TRADE

Date.	Imports.				Exports.			
	Food.	Raw Materials.	Manufactured Goods.	Total.	Food.	Raw Materials.	Manufactured Goods.	Total.
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1925 ... ..	47.5	35.4	26.6	110.1	4.6	7.0	51.4	64.4
1929 ... ..	44.6	28.3	27.9	101.7	4.6	6.6	47.8	60.8
1930 ... ..	39.6	20.9	25.6	87.0	4.0	5.3	36.7	47.6
1931 ... ..	34.7	14.4	21.8	71.8	3.0	3.9	24.3	32.6
1932 ... ..	31.1	13.7	13.1	58.5	2.7	3.6	23.0	30.4
1933 ... ..	28.4	15.0	12.6	56.3	2.4	3.8	23.4	30.6
November, 1933 ...	32.0	17.0	14.6	63.7	2.9	4.3	25.8	34.4
November, 1934 ...	32.5	16.7	15.2	64.7	3.0	4.3	27.4	36.1

## SOME LEADING IMPORTS

Date.	Wheat.	Iron Ore and Scrap.	Raw Cotton.	Raw Wool.	Hides Wet and Dry.	Wood Pulp.	Rubber.	Iron and Steel Manufactures.
Monthly Average—	(thous. cwt.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwt.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1925 ... ..	8,071	373	1,578	606	155	103	163	227
1929 ... ..	9,314	480	1,283	678	98	137	330	235
1930 ... ..	8,731	363	1,011	652	108	128	326	243
1931 ... ..	9,952	185	909	707	106	122	237	237
1932 ... ..	8,803	159	1,048	765	105	153	176	133
1933 ... ..	9,366	234	1,169	793	120	162	189	81
November, 1933 ...	10,089	271	1,641	627	113	165	161	92
November, 1934 ...	8,120	429	999	476	140	203	483	104

## SOME LEADING EXPORTS

Date.	Coal.	Iron and Steel.	Machinery.	Cotton Yarns.	Cotton Piece-Goods.	Woolen Tissues.	Worsted Tissues.	Motor Cars.
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1925 ... ..	4,235	311	43	11.3	370	11,015	3,942	1,481
1929 ... ..	5,022	365	47	11.8	306	9,016	3,940	1,991
1930 ... ..	4,573	263	40	11.1	201	6,587	2,893	1,602
1931 ... ..	3,563	165	27	11.4	143	4,694	2,479	1,429
1932 ... ..	3,242	157	25	13.9	183	4,461	2,358	2,246
1933 ... ..	3,256	160	23	15.8	169	5,110	2,741	2,821
November, 1933 ...	3,607	184	28	12.7	170	5,159	2,730	3,674
November, 1934 ...	3,318	220	31	10.6	172	4,998	2,206	3,195

## PRICES

## 1. WHOLESALE PRICES

Date.	Index Number (Sept. 16th, 1931 = 100).				
	U.K.	U.S.A.	France.	Italy.	Germany.
Average 1913 ...	115.8	101.1	111.1	112.0	91.9
1925 ...	177.9	152.3	154.1	148.9	130.2
1929 ...	150.9	139.4	141.3	146.0	126.1
1930 ...	129.3	125.1	124.3	125.0	103.8
1931 ...	107.7	103.5	105.5	103.5	101.9
1932 ...	103.5	89.3	92.0	93.1	88.7
1933 ...	103.5	93.7	87.7	86.6	85.7
End November, 1933...	104.7	103.5	86.8	84.0	88.2
" October, 1934 ...	105.5	114.1	79.8	84.3	93.1
" November, 1934...	105.5	114.6	79.0	85.1	93.0

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsanst.

## 2. RETAIL PRICES (cost of living)

Date.	Food.	Rent (including Rates).	Clothing.	Fuel and Light.	Other Items included.	All Items included.
End of 1925 ...	71	48	125	80-85	80	75
1929 ...	57	52	115	75	80	66
1930 ...	38	54	105	75	75	53
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70-75	70-75	42
1933 ...	24	56	85	70-75	70-75	42
End Nov., 1933...	26	56	85	70	70-75	43
" Oct., 1934...	27	56	85-90	70	70-75	44
" Nov., 1934...	27	56	85-90	70	70-75	44

The figures represent the percentage increase above July, 1914, which is equal to 100.

## 3. COMMODITY PRICES (average for month)

Date	Wheat No. 1 N. Manitoba.	Sugar Centrifugal U.K.	Cotton American Middling.	Wool 64's tops avg.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber, Plantation Sheet.
	per qr. s. d.	per cwt. s. d.	per lb. d.	per lb. d.	per ton £ d.	per ton £	per lb. d.
Average 1913 ...	36 10	—	7.01	29 ½	58 1 ½	—	36 ½
1925 ...	66 4 ½	12 9	12.65	54 ½	72 9 ½	261 ½	34 ½
1929 ...	54 0 ½	9 0 ½	10.29	38 ½	70 4 ½	203 ½	10 ½
1930 ...	40 1 ½	6 7	7.44	26 ½	67 0	142 ½	5 ½
1931 ...	28 2 ½	6 3 ½	5.08	23 ½	58 7	118 ½	3 ½
1932 ...	30 6 ½	5 9 ½	5.29	22 ½	58 6	136 ½	2 ½
1933 ...	28 2	5 4	5.53	28 ½	62 3	194 ½	3 ½
Nov., 1933 ...	26 8	4 7 ½	5.25	35 ½	62 6	226 ½	4 ½
Oct., 1934 ...	32 7	4 0 ½	6.91	25 ½	67 6	230 ½	6 ½
Nov., 1934 ...	31 9	4 1	6.89	24 ½	67 6	228 ½	4 ½

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